United States Court of Appeals

for the Second Circuit

EXHIBITS

76-7476

United States Court of Appeals
For The Second Circuit

No. 76-7476

B

NEWBURGER, LOEB & CO., INC. as Assignee of Claims of David Buckley and Mary Buckley,
Plaintiff-Appellant-Cross-Appellee,

against

CHARLES GROSS, MABEL BLEICH, GROSS & CO., and JEANNE DONOGHUE,
Defendants-Appellees-Cross-Appellants,

NEWBURGER, LOEB & CO., a New York Limited Partnership, ANDREW M. NEWBURGER, ROBERT L. NEWBURGER, RICHARD D. STERN, WALTER D. STERN, and ROBERT L. STERN as Executors of the Estate of Leo Stern, ROBERT L. STERN, RICHARD D. STERN, JOHN F. SETTEL, HAROLD J. RICHARDS, SANFORD ROGGENBURG, HARRY B. FRANK and JEROME TARNOFF as Executors of the Estate of Ned D. Frank, FRED KAYNE, ROBERT MUH, PAUL RISHER, CHARLES SLOANE, ROBERT S. PERSKY, FINLEY, KUMBLE, WAGNER, HEINE, UNDERBERG & GRUTMAN, a Partnership, (formerly known as Finley, Kumble, Underberg, Persky & Roth and Finley, Kumble, Heine, Underberg & Grutman) and LAWRENCE J. BERKOWITZ,

Additional Defendants on Counterclaims-Appellants-Cross-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES COURT OF APPEALS
FILED
FEB 4 1977
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

JOINT APPENDIX—EXHIBITS
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P L A I N T I F F ' S E X H I B I T S

PLAINTIFF'S EXHIBIT 1.

E 1

NEW YORK STOCK EXCHANGE
DEPARTMENT OF MEMBER FIRMS
4 NEW YORK PLAZA
AT BROAD AND WATER STREETS
NEW YORK, N.Y. 10004

FRED J. STOCK, JR.
ASSISTANT VICE PRESIDENT
ASSOCIATE DIRECTOR
(212) 623-7700

November 17, 1970

Newburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Attention: Mr. Fred Kayne, Managing Partner

Gentlemen:

This will confirm a conference between four of your general partners and Mr. Dilger of my staff on November 16, 1970, at 3 p.m. during which the following was discussed.

Capital withdrawals within the next 130 days amounts to $1,560,000, including $727,000 during November, 1970; ten general partners with a capital deficiency of $794,000; a limited partner with a capital deficiency of $38,000; excess net capital as of November 12, 1970, amounts to $575,000 with an aggregate indebtedness of $1,647,000, not including the $1,585,000 due to W. E. Hutton & Co., secured by partners' collateral. It is also our understanding that all customers' accounts, securities, and cash have been delivered on a fully disclosed basis to W. E. Hutton & Co. or to other brokers.

It appears from the above that Newburger, Loeb & Co. will be in violation of Rule 325 by the end of November, 1970, and you are hereby directed to maintain at all times until further notice an amount of excess net capital as computed under Rule 325 (REQUIRED EXCESS CAPITAL) equal to $400,000 plus the amount of capital withdrawals scheduled to be made within the subsequent 120 calendar days.

PLAINTIFF'S EXHIBIT 1.

Newburger, Loeb & Co.
Mr. Fred Kayne, Managing Partner
November 17, 1970

E 2

Under the circumstances and in view of your impaired capital position and loss trend, this Department is left with no alternative but to approach the Board of Governors and ask for your suspension under Article XIII of the Exchange's constitution if your "REQUIRED EXCESS CAPITAL" is not met by the close of business on November 20, 1970. A signed merger agreement filed with this Department by the close of business on November 20, 1970, will be acceptable in lieu of the REQUIRED EXCESS CAPITAL.

In the meantime, you are directed to take every possible anticipatory step to prepare for possible liquidation of your firm, such as discontinuing any purchases for your firm trading and investment accounts, liquidating proprietary positions, and other administrative procedures in the event of a suspension by the Board of Governors.

Please evidence the receipt of this letter by signing the enclosed copy and returning it promptly.

Sincerely yours,

Fred J. Stock, Jr.
Assistant Vice President

Enc.

PLAINTIFF'S EXHIBIT 2.

CLEARANCE AGREEMENT

E 3

Between

NEWBURGER, LOEB & CO. and GROSS & CO.

It is mutually agreed as follows:

1. Newburger, Loeb & Co. will finance and carry the individual accounts of Gross & Co.

2. Newburger, Loeb & Co. will give office space to Gross & Co.

3. Of the commissions resulting from stock transactions on the New York Stock Exchange for customers of Gross & Co., Newburger, Loeb & Co. shall receive 40% and Gross & Co. 60% of the gross commissions. Of the commissions resulting from bond transactions on the New York Stock Exchange, the divisions shall be 50% to each firm. Newburger, Loeb & Co. will in no case receive less than the minimum commission prescribed in Article 17 of the Constitution of the New York Stock Exchange. The split of the commissions resulting from "Over-the-Counter" transactions shall be by mutual agreement.

4. Interest profit above the cost of call money shall be divided equally between Newburger, Loeb & Co. and Gross & Co.

5. On transactions for Mr. Charles Gross' personal account, in either stocks or bonds listed on the New York Stock Exchange, clearance charges will be made at the minimum rates prescribed by the New York Stock Exchange.

6. In connection with the carrying of customers' accounts of Gross & Co., it is agreed that Gross & Co. will accept the responsibility for the initial deposit of margin whenever an account is opened or reopened, and the responsibility for payment in full in the case of all cash transactions. After the initial payment on the opening or reopening of a margin account, the further responsibility is solely that of Newburger, Loeb & Co., except that, if advice be received from Gross & Co. requesting Newburger, Loeb & Co. to withhold contemplated "sell out" or "buy in" action against any account accepted hereunder by Newburger, Loeb & Co. which has become deficient in margin, and Newburger, Loeb & Co. complies with this request, then Gross & Co. guarantees prompt reimbursement to Newburger, Loeb & Co. of any losses that may accrue by reason of this compliance.

7. Gross & Co. accepts responsibility for any loss arising from errors made by them. It is agreed that Gross & Co. will clear through Newburger, Loeb & Co. only such accounts as Newburger, Loeb & Co. considers acceptable to the New York Stock Exchange, the Securities & Exchange Commission, and other regulatory authorities.

8. All orders accepted by Newburger, Loeb & Co. hereunder and all resulting transactions are subject to the Securities & Exchange Act; Regulation T of the Federal Reserve Board; the Commodities Exchange Administration; the Constitution, By-Laws, Rules, regulations and customs of the New York Stock Exchange and its Clearing House; and all other Exchanges and Clearing Houses of which either party is a member to the extent applicable.

9. Since Gross & Co. is subsidized by Newburger, Loeb & Co. to the extent of office space and various facilities, it is agreed that all security and commodity transactions, both for this account and for the account of its customers, will be placed solely with Newburger, Loeb & Co.

10. In connection with Rules 504 and 505 of the Board of Governors of the New York Stock Exchange regarding the opening of accounts, it is hereby agreed, pursuant to Paragraph 8 on Page E 352 of the Rules, that Gross & Co. will learn the essential facts with respect to each of its customers, and will give an approval for the opening of each account.

11. This arrangement shall continue in force for an indefinite period, subject to the right of either party to terminate this agreement on 60 days' notice in writing to the other party.

A. G. & Co.

By

Charles H. Gross

By

PLAINTIFF EXHIBIT 3

GROSS & COMPANY

5 Hanover Square
New York 4, N. Y.
WHitehall 4-0300

E 5

Members New York Stock Exchange • American Stock Exchange (Assoc.)

PLAINTIFF'S EXHIBIT 3.

October 7, 1964

Newburger, Loeb & Co.
5 Hanover Square
New York, N.Y.

Gentlemen:

This letter authorizes Newburger, Loeb & Co. to use for delivery any stock held in our account against a short sale made by us in the same security, and to leave "long" and "short" equities in the account.

Very truly yours,

GROSS & CO.

Charles H. Gross

CHG/ss

Charles H. Gross, Partner

PLAINTIFF'S EXHIBIT 4.

E 6

FORM 2105 IDENTIFICATION NO. N.L. & CO.

D1 REOP [illegible] Date 9/30/63

Full Name Mr. Mrs. XXX Mary S. Buckley (PRINT) R.R.'s Signature and No. 80D Jordon

Mailing Address 23 Dogwood Lane, Rumson, New Jersey CODE 201

Home Address Same Home Phone 842 1924

Name & Type of Firm Housewife Position Housewife

(If retired give name of last business and state "RETIRED")

Business Address Business Phone MU 8-6000

If Married Woman, Husband's Name David Buckley Firm LEVER BRS Position EXEC.

Bank { Reg. Chk. / Spec. Chk. / Savings } Address 80D

How Long Have You Known Customer? 2 Years Referred By Her Husband, David Is Customer U.S. Citizen YES

Remarks:

CASH A/C Yes MARGIN A/C ~~YES~~ Branch Mgr. or Partner MB Firm Mail Clerk

(Change of address on reverse side)

JOINT A/C AGREEMENT

FORM 2105 IDENTIFICATION NO. N.L. & CO.

D1 REOP 542 32 0186 Date 3/16/64

Full Name Mr. Mr. David Buckley & Mrs. Mary Buckley (PRINT) R.R.'s Signature and No. 80D Jordon

Mailing Address 23 Dogwood Lane, Rumson, New Jersey

Home Address Same Home Phone

Name & Type of Firm Lever Brothers Position

(If retired give name of last business and state "RETIRED")

Business Address Business Phone MU 8-6000

If Married Woman, Husband's Name Firm Position

Bank { Reg. Chk. / Spec. Chk. / Savings } Address

How Long Have You Known Customer? Referred By Is Customer U.S. Citizen YES

Remarks: Both customers have single accounts in house.

CASH A/C MARGIN A/C YES Branch Mgr. or Partner MB Firm Mail Clerk

(Change of address on reverse side)

PLAINTIFF'S EXHIBIT 4.

E 7

1 CHANGE / CORRECTION OF { ADDRESS YES / NAME

Date 4/17/64

Customers Name David Buckley (PRINT)

New Address 82 West River Road, Rumson, New Jersey

Telephone Number

Old { Name / Address David Buckley / 23 Dogwood Road / Rumson, N.J.

80D Jordon
CUSTOMER'S MAN

CUSTOMER'S SIGNATURE

	AGREEMENT	LOAN AUTH.	CREDIT REPORT	BANK AUTH.	REFE
SENT FOR					
RECEIVED					

2 CHANGE / CORRECTION OF { ADDRESS YES / NAME

Date 4/17/64

Customers Name David Buckley & Mrs. Mary Buckley (PRINT)

New Address 82 West River Road / Rumson, N.J.

Telephone Number

Old { Name / Address David Buckley & Mary Buckley / 23 Dogwood Lane / Rumson, N.Y.

80D
CUSTOMER'S MAN

CUSTOMER'S SIGNATURE

	AGREEMENT	LOAN AUTH.	CREDIT REPORT	BANK AUTH.	REFERENCE
SENT FOR					
RECEIVED					

PLAINTIFF'S EXHIBIT 4.

E 8

CHANGE / CORRECTION OF { ADDRESS YES / NAME

Date 4/17/64

Customers Name Mary Buckley (PRINT)

New Address 82 West River Road

Rumson, New ~~Jersey~~ Jersey

Telephone Number

Old { Name ~~Mary Buckley~~

Address 23 Dogwood Lane

Rumson, NJ.

80D
CUSTOMER'S MAN

CUSTOMER'S SIGNATURE

	AGREEMENT	LOAN AUTH.	CREDIT REPORT	BANK AUTH.	REFEREN
SENT FOR					
RECEIVED					

ACCOUNT CARRIED BY ARRANGEMENT
WITH GROSS & COMPANY PLAINTIFF'S EXHIBIT 5.

FORM NO. 10 SM 2-63

CUSTOMERS AGREEMENT *(Margin)*

E 9

NAME (in full) David & Mrs. Mary Buckley, Joint Account W/R/C/S

(PRINT) PLAINTIFF'S EXHIBIT 5.

Communications To Be Sent To 23 Dogwood Lane - Rumson, New Jersey

Home Address Same **Phone No.**

Firm Lever Brothers **Type of Business** **Position**

(Please give position held) (If RETIRED give name of last business and state "RETIRED")

Business Address **Phone No.** MU-8-6000

Bank **Address**

Introduced By GROSS & COMPANY

JOINT A/C AGREEMENT

NEWBURGER, LOEB & COMPANY, NEW YORK:

In consideration of your accepting one or more of my accounts (whether designated by name, number or otherwise) and your agreeing to act as my brokers in the purchase or sale of securities or commodities, I agree as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and to the provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Federal Securities and Exchange Commission and of the Federal Reserve Board in so far as they may be applicable, or as they may from time to time be amended or changed.

2. All monies, securities, commodities or other property which you may at any time be carrying for me or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all my obligations to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts I may have with you.

3. I will at all times maintain margins for said accounts, as required by you from time to time. It is understood by me that no credit arrangements conflicting with your usual marginal requirements shall have any effect unless made by a member of your firm, and that no customer's man or branch office manager is authorized to modify your demands or to postpone sell-outs.

4. All securities and commodities or any other property, now or hereafter held by you, or carried by you in any account for me (either individually or jointly with others), or deposited to secure same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities or commodities.

5. Debit balances of my accounts shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover facilities and extra services.

6. Whenever you shall deem it necessary for your protection, you are hereby authorized to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for me (either individually or jointly with others), or to buy in any securities, commodities or other property of which my account or accounts may be short, or you may in your discretion place stop loss orders for the sale or purchase of any such securities and/or commodities, in order to close out my account, or accounts in whole or in part or in order to close out any commitment made in my behalf. Such sale or purchase may be made during my lifetime or after my death, and whether or not a personal representative has been appointed for my estate. Such sale or purchase may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to me or to my personal representatives, and without prior tender, demand or call of any kind upon me or upon my personal representatives, and you may purchase the whole or any part thereof free from any right of redemption, and I shall remain liable for any deficiency; — it being understood that no tenders, demands or calls of any kind, or notices of the time and place of any sales or purchases shall be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by me, at any time as hereinbefore provided.

7. At any time and from time to time, in your discretion, you may without notice to me apply and/or transfer any or all my securities and/or commodities and/or other property interchangeably between any of my accounts or from any of my accounts to any account guaranteed by me. I hereby request and authorize you, at your discretion, and without prior notice to me, at any time or from time to time, to transfer any margin, either cash or securities, released by reason of transactions for any account or accounts of mine which you are carrying, to a separate account in my name, designated as "Excess Account", and also to transfer to my margin account

(over)

PLAINTIFF'S EXHIBIT 5.

or accounts any or all of the cash and/or securities carried in such "Excess Account" when in your opinion it is advisable.

8. In case of the sale of any security, commodity, or other property by you at my direction and your inability to deliver the same to the purchaser by reason of my failure to supply you therewith, then and in such event, I authorize you to borrow or buy in any security, commodity, or other property necessary to make delivery thereof, and I hereby agree to be responsible for any loss which you may sustain thereby.

9. I undertake to pay any indebtedness to you upon your demand, and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. Reports of the execution of orders and statements of my accounts shall be conclusive if not promptly objected to in writing.

11. Communications may be sent to me at my address given above, or at such other address as I may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not. You, or any of your employees, may communicate with me at my home, or my place of residence, at any time with reference to any transactions, marginal or otherwise.

12. Whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission and/or the Federal Reserve Board which shall affect, in any manner, or be inconsistent with any of the provisions hereof, the provisions in this agreement so affected shall be deemed modified or superseded, as the case may be, by such rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect. No provision of this agreement shall in any other manner or respect be waived, altered, modified, or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your firm.

13. Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

14. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which I may open or re-open with you, and shall be for the benefit of your present firm, and any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof either by the death or withdrawal of any member or members or the introduction of any new member or members, or otherwise, and shall be binding upon my personal representatives. It is understood that I may terminate this agreement provided there be at the time no open commitments and that I notify you by registered mail of my intention so to do. Such termination shall apply only to the transactions entered into after receipt by you of such notice.

15. In all transactions between us, I understand that you are acting as my brokers, except when you disclose to me in writing in your confirmation of the execution of a particular transaction that you are acting, with respect to such transaction, as principals or dealers for your own account or as brokers for some other person.

16. I represent that I am of full age; that no one except myself has an interest in my account or accounts with you; that I am not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a firm registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper.

Dated MAR 18 [illegible]

I AM A CITIZEN OF _____

x _____
(Customer's Signature)

Witness x _____

x _____
(Customer's Signature)

WE HEREBY ACCEPT THE ACCOUNT, AND AGREE TO ACT AS BROKERS UPON THE TERMS AND CONDITIONS HEREINABOVE STATED.

NEWBURGER, LOEB & CO.

By _____

AUTHORIZATION TO LOAN STOCKS

I hereby authorize you to loan either to yourselves or to others any securities held for me on margin or in any of my accounts with you which I now have or may have.

While this is a continuing agreement until revoked, I reserve the right to revoke this authorization at any time by a notice in writing to you at your main office at 5 Hanover Square, New York 4, N. Y.

MAR 18

Date _____

x _____
(Customer's Signature)

x _____
(Customer's Signature)

THIS FORM SHOULD BE SIGNED IN BOTH SPACES

PLAINTIFF'S EXHIBIT 5.

FORM 7 1M 6-39

(THIS FORM MUST BE SIGNED IN DUPLICATE)

GUARANTY OF ACCOUNT E 11

Messrs. NEWBURGER, LOEB & COMPANY,

New York

Dear Sirs:

In consideration of your carrying the account of DAVID BUCKLEY 807 (hereafter called "Customer") or of your opening any new account or accounts for the said Customer under such terms and conditions as you may deem best. I hereby agree to guarantee and hold you harmless from and to promptly pay you on demand any debit balance now or hereafter due thereon and any and all losses now existing on said account or accounts or hereafter arising thereon or therefrom.

I hereby expressly waive demand and notice of default, as well as of all notices concerning said account or accounts and changes therein from time to time, or of the manner of conducting or closing the same or of notice of the acceptance of this guaranty. I also waive any requirement of legal proceedings on your part against said Customer.

I agree that you shall have a lien on and may hold as collateral security for said account or accounts any and all securities and equities you may hold or have in any account for me at any time, and I agree that the assertion or enforcement by you of said lien shall not release me as guarantor or otherwise affect this guaranty or my liability for any debit balance of losses on said account or accounts. I further agree that any demand that I perform this guaranty or any action or proceeding brought to enforce the same or my liability hereunder shall not release or otherwise affect said lien, and that you shall at all times have both of said remedies to protect and compensate you against any loss or debit balance due on said account or accounts.

I agree that you may, in considering the margin in any such account of mine and the steps necessary for your protection in connection therewith, take into consideration the condition of said guaranteed account or accounts.

I also agree that this guaranty is a continuing one and shall cover the period of existence of said account or accounts, and I expressly consent that said account or accounts may be changed by said Customer from time to time by the purchase and sale of securities or other property and/or by payments and/or deliveries of securities or other property to said Customer without notice to me.

I also agree that this guarantee shall continue regardless of changes in the membership of your firm and shall enure to the benefit of any firm continuing after the dissolution of your firm, and which is carrying the account of said Customer.

I also agree that this guaranty shall remain in full force regardless of the existence of other guaranties covering the account or accounts of said Customer and whether or not you may at any time in whole or in part release other guarantors and shall continue in full force whether or not you may at any time make any agreement either with said Customer or with any other guarantors for the extension of any obligation due to you by them or any of them.

This guaranty shall be binding upon and, enforceable against my executors, administrators and assigns, and my death shall not terminate my liability hereunder, my estate to be liable for all transactions, within the scope of this guaranty, conducted in the said account prior to the receipt by you of notice of my death. My estate shall also continue liable with respect to any losses which may be incurred in liquidating the account during a reasonable time subsequent to the receipt of such notice.

Any controversy which may arise between us, either with respect to this guaranty or with respect to any of the transactions in any of the guaranteed accounts, shall be determined by arbitration pursuant to the Law of the State of New York. Said arbitration shall be before three arbitrators, to be selected by the American Arbitration Association, and shall be held in accordance with its rules.

DAVID BUCKLEY X D Buckley

MARY BUCKLEY X Mary S. Buckley

Dated 9/8/36

Accepted: NEWBURGER, LOEB & COMPANY

By

PLAINTIFF'S EXHIBIT 5.

FORM NO. 10 10M 1-65

CUSTOMER'S AGREEMENT (MARGIN)

E 12

NAME (in full) Mrs. Mary S. Buckley 2CD
(PRINT)

Communications To Be Sent To 82 W. [illegible] Rd

Home Address [illegible] Phone No. [illegible]

Firm [illegible] Type of Business [illegible] Position [illegible]
(Please give position held) (If RETIRED give name of last business and state "RETIRED")

Business Address [illegible] Phone No. [illegible]

Bank [illegible] Address [illegible]

Introduced By [illegible]

IMPORTANT! Please insert your Social Security or Tax Number here | 143 | 26 | 549 |

NEWBURGER, LOEB & COMPANY, NEW YORK:

In consideration of your accepting one or more of my accounts (whether designated by name, number or otherwise) and your agreeing to act as my brokers in the purchase or sale of securities or commodities, I agree as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and to the provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Federal Securities and Exchange Commission and of the Federal Reserve Board in so far as they may be applicable, or as they may from time to time be amended or changed.

2. All monies, securities, commodities or other property which you may at any time be carrying for me or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all my obligations to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts I may have with you.

3. I will at all times maintain margins for said accounts, as required by you from time to time. It is understood by me that no credit arrangements conflicting with your usual marginal requirements shall have any effect unless made by a member of your firm, and that no customer's man or branch office manager is authorized to modify your demands or to postpone sell-outs.

4. All securities and commodities or any other property, now or hereafter held by you, or carried by you in any account for me (either individually or jointly with others), or deposited to secure same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities or commodities.

5. Debit balances of my accounts shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover facilities and extra services.

6. Whenever you shall deem it necessary for your protection, you are hereby authorized to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for me (either individually or jointly with others), or to buy in any securities, commodities or other property of which my account or accounts may be short, or you may in your discretion place stop loss orders for the sale or purchase of any such securities and/or commodities, in order to close out my account, or accounts in whole or in part or in order to close out any commitment made in my behalf. Such sale or purchase may be made during my lifetime or after my death, and whether or not a personal representative has been appointed for my estate. Such sale or purchase may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to me or to my personal representatives, and without prior tender, demand or call of any kind upon me or upon my personal representatives, and you may purchase the whole or any part thereof free from any right of redemption, and I shall remain liable for any deficiency; — it being understood that no tenders, demands or calls of any kind, or notices of the time and place of any sales or purchases shall be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by me, at any time as hereinbefore provided.

7. At any time and from time to time, in your discretion, you may without notice to me apply and/or transfer any or all my securities and/or commodities and/or other property interchangeably between any of my accounts or from any of my accounts to any account guaranteed by me. I hereby request and authorize you, at your discretion, and without prior notice to me, at any time or from time to time, to transfer any margin, either cash or securities, released by reason of transactions for any account or accounts of mine which you are carrying, to a separate account in my name, designated as "Excess Account", and also to transfer to my margin account

OCT 13 11 33 '65

PLAINTIFF'S EXHIBIT 5.

E 13

or accounts any or all of the cash and/or securities carried in such "Excess Account" when in your opinion it is advisable.

8. In case of the sale of any security, commodity, or other property by you at my direction and your inability to deliver the same to the purchaser by reason of my failure to supply you therewith, then and in such event, I authorize you to borrow or buy in any security, commodity, or other property necessary to make delivery thereof, and I hereby agree to be responsible for any loss which you may sustain thereby.

9. I undertake to pay any indebtedness to you upon your demand, and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. Reports of the execution of orders and statements of my accounts shall be conclusive if not promptly objected to in writing.

11. Communications may be sent to me at my address given above, or at such other address as I may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not. You, or any of your employees, may communicate with me at my home, or my place of residence, at any time with reference to any transactions, marginal or otherwise.

12. Whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission and/or the Federal Reserve Board which shall affect, in any manner, or be inconsistent with any of the provisions hereof, the provisions in this agreement so affected shall be deemed modified or superseded, as the case may be, by such rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect. No provision of this agreement shall in any other manner or respect be waived, altered, modified, or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your firm.

13. Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

14. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which I may open or re-open with you, and shall be for the benefit of your present firm, and any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof either by the death or withdrawal of any member or members or the introduction of any new member or members, or otherwise, and shall be binding upon my personal representatives. It is understood that I may terminate this agreement provided there be at the time no open commitments and that I notify you by registered mail of my intention so to do. Such termination shall apply only to the transactions entered into after receipt by you of such notice.

15. In all transactions between us, I understand that you are acting as my brokers, except when you disclose to me in writing in your confirmation of the execution of a particular transaction that you are acting, with respect to such transaction, as principals or dealers for your own account or as brokers for some other person.

16. I represent that I am of full age; that no one except myself has an interest in my account or accounts with you; that I am not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a firm registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper.

Dated 6/12/ I AM A CITIZEN OF

(SIGNED) _____
(Customer's Signature)

Witness (SIGNED) _____ (SIGNED) _____
(Customer's Signature)

WE HEREBY ACCEPT THE ACCOUNT, AND AGREE TO ACT AS BROKERS UPON THE TERMS AND CONDITIONS HEREINABOVE STATED.

NEWBURGER, LOEB & CO.

By _____

AUTHORIZATION TO LOAN STOCKS

I hereby authorize you to loan either to yourselves or to others any securities held for me on margin or in any of my accounts with you which I now have or may have.

While this is a continuing agreement until revoked, I reserve the right to revoke this authorization at any time by a notice in writing to you at your main office at 5 Hanover Square, New York 4, N. Y.

(SIGNED) _____
(Customer's Signature)

Dated _____ (SIGNED) _____
(Customer's Signature)

SIGNED IN BOTH SPACES

PLAINTIFF'S EXHIBIT 5.

E 14

FORM NO. 10 10M 1-65

CUSTOMER'S AGREEMENT (MARGIN)

NAME (in full) Mr. David W. Buckley SOD
(PRINT)

Communications To Be Sent To [illegible]

Home Address [illegible] Phone No. [illegible]

Firm [illegible] Type of Business [illegible] Position [illegible]
(Please give position held) (If RETIRED give name of last business and state "RETIRED")

Business Address [illegible] Phone No. [illegible]

Bank [illegible] Address [illegible]

Introduced By [illegible]

IMPORTANT! Please insert your Social Security or Tax Number here ☞

[illegible]	[illegible]	[illegible]

NEWBURGER, LOEB & COMPANY, NEW YORK:

In consideration of your accepting one or more of my accounts (whether designated by name, number or otherwise) and your agreeing to act as my brokers in the purchase or sale of securities or commodities, I agree as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and to the provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Federal Securities and Exchange Commission and of the Federal Reserve Board in so far as they may be applicable, or as they may from time to time be amended or changed.

2. All monies, securities, commodities or other property which you may at any time be carrying for me or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all my obligations to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts I may have with you.

3. I will at all times maintain margins for said accounts, as required by you from time to time. It is understood by me that no credit arrangements conflicting with your usual marginal requirements shall have any effect unless made by a member of your firm, and that no customer's man or branch office manager is authorized to modify your demands or to postpone sell-outs.

4. All securities and commodities or any other property, now or hereafter held by you, or carried by you in any account for me (either individually or jointly with others), or deposited to secure same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities or commodities.

5. Debit balances of my accounts shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover facilities and extra services.

6. Whenever you shall deem it necessary for your protection, you are hereby authorized to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for me (either individually or jointly with others), or to buy in any securities, commodities or other property of which my account or accounts may be short, or you may in your discretion place stop loss orders for the sale or purchase of any such securities and/or commodities, in order to close out my account, or accounts in whole or in part or in order to close out any commitment made in my behalf. Such sale or purchase may be made during my lifetime or after my death, and whether or not a personal representative has been appointed for my estate. Such sale or purchase may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to me or to my personal representatives, and without prior tender, demand or call of any kind upon me or upon my personal representatives, and you may purchase the whole or any part thereof free from any right of redemption, and I shall remain liable for any deficiency; — it being understood that no tenders, demands or calls of any kind, or notices of the time and place of any sales or purchases shall be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by me, at any time as hereinbefore provided.

7. At any time and from time to time, in your discretion, you may without notice to me apply and/or transfer any or all my securities and/or commodities and/or other property interchangeably between any of my accounts or from any of my accounts to any account guaranteed by me. I hereby request and authorize you, at your discretion, and without prior notice to me, at any time or from time to time, to transfer any margin, either cash or securities, released by reason of transactions for any account or accounts of mine which you are carrying, to a separate account in my name, designated as "Excess Account", and also to transfer to my margin account

1968 OCT 13 PM 12:14

or accounts any or all of the cash and/or securities carried in such "Excess Account" when in your opinion it is advisable.

8. In case of the sale of any security, commodity, or other property by you at my direction and your inability to deliver the same to the purchaser by reason of my failure to supply you therewith, then and in such event, I authorize you to borrow or buy in any security, commodity, or other property necessary to make delivery thereof, and I hereby agree to be responsible for any loss which you may sustain thereby.

9. I undertake to pay any indebtedness to you upon your demand, and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. Reports of the execution of orders and statements of my accounts shall be conclusive if not promptly objected to in writing.

11. Communications may be sent to me at my address given above, or at such other address as I may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not. You, or any of your employees, may communicate with me at my home, or my place of residence, at any time with reference to any transactions, marginal or otherwise.

12. Whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission and/or the Federal Reserve Board which shall affect, in any manner, or be inconsistent with any of the provisions hereof, the provisions in this agreement so affected shall be deemed modified or superseded, as the case may be, by such rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect. No provision of this agreement shall in any other manner or respect be waived, altered, modified, or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your firm.

13. Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

14. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which I may open or re-open with you, and shall be for the benefit of your present firm, and any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof either by the death or withdrawal of any member or members or the introduction of any new member or members, or otherwise, and shall be binding upon my personal representatives. It is understood that I may terminate this agreement provided there be at the time no open commitments and that I notify you by registered mail of my intention so to do. Such termination shall apply only to the transactions entered into after receipt by you of such notice.

15. In all transactions between us, I understand that you are acting as my brokers, except when you disclose to me in writing in your confirmation of the execution of a particular transaction that you are acting, with respect to such transaction, as principals or dealers for your own account or as brokers for some other person.

16. I represent that I am of full age; that no one except myself has an interest in my account or accounts with you; that I am not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a firm registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper.

Dated 10/12/61 I AM A CITIZEN OF U.S.A.

(SIGNED) [signature] (Customer's Signature)

(SIGNED) [signature] (Customer's Signature)

Witness (SIGNED) .....

RECEIVED

WE HEREBY ACCEPT THE ACCOUNT, AND AGREE TO ACT AS BROKERS UPON THE TERMS AND CONDITIONS HEREINABOVE STATED.

NEWBURGER, LOEB & CO.

By .....

AUTHORIZATION TO LOAN STOCKS

I hereby authorize you to loan either to yourselves or to others any securities held for me on margin or in any of my accounts with you which I now have or may have.

While this is a continuing agreement until revoked, I reserve the right to revoke this authorization at any time by a notice in writing to you at your main office at 5 Hanover Square, New York 4, N. Y.

(SIGNED) ..... (Customer's Signature)

Dated ..... (SIGNED) ..... (Customer's Signature)

THIS FORM SHOULD BE SIGNED IN BOTH SPACES

FORM NO. 8 - 20M - 2-61

WITH GROSS & COMPANY

CUSTOMER'S AGREEMENT (CASH)

E 16

NAME (in full) Mr. David W. Buckley
(PRINT)

PLAINTIFF'S EXHIBIT 6.

Communications To Be Sent To 23 Dogwood Lane - Rumson, N.J.

Home Address Same Phone No.

Firm Type of Business Position Advt. Exec.
(Please give position held) (If RETIRED give name of last business and state "RETIRED")

Business Address ~~346~~ 390 Park Avenue - New York, New York Phone No. MU-8-6000

Bank Address

Introduced By GROSS & COMPANY

NEWBURGER, LOEB & COMPANY, NEW YORK:

In consideration of your accepting one or more of my accounts (whether designated by name, number or otherwise) and your agreeing to act as my brokers in the purchase or sale of securities or commodities, I agree as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and to the provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Federal Securities and Exchange Commission and of the Federal Reserve Board in so far as they may be applicable, or as they may from time to time be amended or changed.

2. In case of the sale of any security, commodity, or other property by you at my direction and your inability to deliver the same to the purchaser by reason of my failure to supply you therewith, then and in such event, I authorize you to borrow or buy in any security, commodity, or other property necessary to make delivery thereof, and I hereby agree to be responsible for any loss which you may sustain thereby.

3. I undertake to pay the purchase price of any securities purchased for my account before the close of the market on the 4th business day following the purchase, without the necessity for your making any demand upon me. In the event of my failure to make such payment you may sell any securities purchased for me without tendering delivery of the same to me and you may sell any other property of mine which may be in your possession and all of the provisions of paragraph 16 hereof shall be applicable to any such sales.

4. Reports of the execution of orders and statements of my accounts shall be conclusive if not promptly objected to in writing.

5. Communications may be sent to me at my address given above, or at such other address as I may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not. You, or any of your employees, may communicate with me at my home, or my place of residence, at any time with reference to any transactions, marginal or otherwise.

6. Whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission and/or the Federal Reserve Board which shall affect, in any manner, or be inconsistent with any of the provisions hereof, the provisions in this agreement so affected shall be deemed modified or superseded, as the case may be, by such rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect. No provision of this agreement shall in any other manner or respect be waived, altered, modified, or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your firm.

7. Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

8. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which I may open or re-open with you, and shall be for the benefit of your present firm, and any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof either by the death or withdrawal of any member or members or the introduction of any new member or members, or otherwise, and shall be binding upon my personal representatives. It is understood that I may terminate this agreement provided there be at the time no open commitments and that I

(over)

notify you by registered mail of my intention so to do. Such termination shall apply only to the transactions entered into after receipt by you of such notice.

9. In all transactions between us, I understand that you are acting as my brokers, except when you disclose to me in writing in your confirmation of the execution of a particular transaction that you are acting, with respect to such transaction, as principals or dealers for your own account or as brokers for some other person.

10. I represent that I am of full age; that no one except myself has an interest in my account or accounts with you; that I am not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a firm registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper.

The following paragraphs shall be in force, and shall remain in force from time to time whenever I shall be indebted to you:

11. All monies, securities, commodities or other property which you may at any time be carrying for me or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all my obligations to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts I may have with you.

12. I will at all times maintain margins for said accounts, as required by you from time to time. It is understood by me that no credit arrangement conflicting with your usual marginal requirements shall have any effect unless made by a member of your firm, and that no customer's man or branch office manager is authorized to modify your demands or to postpone sell-outs.

13. All securities and commodities or any other property, now or hereafter held by you, or carried by you in any account for me (either individually or jointly with others), or deposited to secure same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities or commodities.

14. At any time and from time to time, in your discretion, you may without notice to me apply and/or transfer any or all my securities and/or commodities and/or other property interchangeably between any of my accounts or from any of my accounts to any account guaranteed by me. I hereby request and authorize you, at your discretion, and without prior notice to me, at any time or from time to time, to transfer any margin, either cash or securities, released by reason of transactions for any account or accounts of mine which you are carrying, to a separate account in my name, designated as "Excess Account", and also to transfer to my margin account or accounts any or all of the cash and/or securities carried in such "Excess Account" when in your opinion it is advisable.

15. Debit balances of my accounts shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover facilities and extra services.

16. Whenever you shall deem it necessary for your protection, you are hereby authorized to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for me (either individually or jointly with others), or to buy in any securities, commodities or other property of which my account or accounts may be short, or you may in your discretion place stop loss orders for the sale or purchase of any such securities and/or commodities, in order to close out my account, or accounts in whole or in part or in order to close out any commitment made in my behalf. Such sale or purchase may be made during my lifetime or after my death, and whether or not a personal representative has been appointed for my estate. Such sale or purchase may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to me or to my personal representatives, and without prior tender, demand or call of any kind upon me or upon my personal representatives, and you may purchase the whole or any part thereof free from any right of redemption, and I shall remain liable for any deficiency;—it being understood that no tenders, demands or calls of any kind, or notices of the time and place of any sales or purchases shall be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by me, at any time as hereinbefore provided.

THIS AGREEMENT MAY NOT BE MODIFIED IN ANY RESPECT EXCEPT IN WRITING AND WITH THE WRITTEN APPROVAL OF A PARTNER OF THE FIRM.

I AM A CITIZEN OF [illegible]

Dated X [illegible] 1952 (SIGNED) X [illegible]
(Customer's Signature)

Witness (SIGNED) X [illegible] (SIGNED) X [illegible]
(Customer's Signature)

WE HEREBY ACCEPT THE ACCOUNT, AND AGREE TO ACT AS BROKERS UPON THE TERMS AND CONDITIONS HEREINABOVE STATED.

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 6.

FORM NO. 9A - 10M - 6/63

E 18

CUSTOMER'S AGREEMENT (CASH)

NAME (in full) ~~Mr.~~ Mrs. ~~Miss~~ Mary S. Buckley (PRINT)

Communications To Be Sent To 23 Dogwood Lane - Rumson, New Jersey

Home Address Same Home Phone No. 842-1924

Firm ..... Type of Business ..... Position Housewife

(Please give position held) (If RETIRED give name of last business and state "RETIRED")

Business Address ..... Business Phone No. .....

If Customer is Married Woman, Husband's:

Name Mr. David Buckley Firm [illegible] Position [illegible]

Bank [illegible] Address [illegible]

Introduced By GROSS & COMPANY

NEWBURGER, LOEB & COMPANY, NEW YORK:

In consideration of your accepting one or more of my accounts (whether designated by name, number or otherwise) and your agreeing to act as my brokers in the purchase or sale of securities or commodities, I agree as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and to the provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Federal Securities and Exchange Commission and of the Federal Reserve Board in so far as they may be applicable, or as they may from time to time be amended or changed.

2. Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

3. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which I may open or re-open with you, and shall be for the benefit of your present firm, and any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof either by the death or withdrawal of any member or members or the introduction of any new member or members.

I AM OVER 21 YEARS OF AGE AND A CITIZEN OF U.S.A.

Dated [illegible] (SIGNED) Mary S. Buckley (Customer's Signature)

Witness (SIGNED) [illegible] (SIGNED) ..... (Customer's Signature)

WE HEREBY ACCEPT THE ACCOUNT, AND AGREE TO ACT AS BROKERS UPON THE TERMS AND CONDITIONS STATED ABOVE.

NEWBURGER, LOEB & CO.

BY .....

IMPORTANT! PLEASE insert your Social Security or Tax Number here [illegible]

FORM 6H

PLAINTIFF'S EXHIBIT 6.

David & Mrs. Mary Buckley

E 19

JOINT ACCOUNT

WITH RIGHT OF SURVIVORSHIP

MESSRS. NEWBURGER, LOEB & COMPANY,
New York

DEAR SIRS:

In consideration of your carrying a joint account for the undersigned, we jointly and severally agree to be fully and completely responsible and liable for said account and to pay on demand any debit balance or losses at any time due in this account. Each of us has full power and authority to make purchases and sales, withdraw moneys and securities from it or do anything else with reference to said account, either individually or in our joint names, as either of us may elect, and you are authorized and directed to act upon instructions of any of us.

Any and all confirmations of purchases or sales or any demand for margin or sell out notices sent to either of us shall be binding upon us both and upon our accounts.

We jointly and severally agree that you shall have a lien on and may hold as collateral security for said account any and all securities and equities you may hold or have in any account at any time for us or any one of us, and that the assertion or enforcement of any such lien shall not affect or alter the liability of any of us or us all for any debit balance or loss on said account.

IT IS AGREED between us and by each of us with you that the survivor shall be the owner of the entire account.

IT IS FURTHER AGREED that the survivor and the estate of the decedent shall remain jointly and severally liable to you for any debit balance or loss in said account on transactions initiated prior to the receipt by you of written notice of the death of one of the undersigned or which may be incurred in the liquidation of the account or in the adjustment of the interest of the respective parties.

Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and the judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

This arrangement shall continue until the receipt by you from us of written cancellation thereof by either of us.

Dated .....

(Signed) .....

(Signed) .....

PLAINTIFF'S EXHIBIT 6.

FORM 7 1M 6-59

(THIS FORM MUST BE SIGNED IN DUPLICATE)

GUARANTY OF ACCOUNT

E 20

Messrs. NEWBURGER, LOEB & COMPANY,

New York

Dear Sirs:

In consideration of your carrying the account of DAVID BUCKLEY (hereafter called "Customer") or of your opening any new account or accounts for the said Customer under such terms and conditions as you may deem best. I hereby agree to guarantee and hold you harmless from and to promptly pay you on demand any debit balance now or hereafter due thereon and any and all losses now existing on said account or accounts or hereafter arising thereon or therefrom.

I hereby expressly waive demand and notice of default, as well as of all notices concerning said account or accounts and changes therein from time to time, or of the manner of conducting or closing the same, or of notice of the acceptance of this guaranty. I also waive any requirement of legal proceedings on your part against said Customer.

I agree that you shall have a lien on and may hold as collateral security for said account or accounts any and all securities and equities you may hold or have in any account for me at any time, and I agree that the assertion or enforcement by you of said lien shall not release me as guarantor or otherwise affect this guaranty or my liability for any debit balance of losses on said account or accounts. I further agree that any demand that I perform this guaranty or any action or proceeding brought to enforce the same or my liability hereunder shall not release or otherwise affect said lien, and that you shall at all times have both of said remedies to protect and compensate you against any loss or debit balance due on said account or accounts.

I agree that you may, in considering the margin in any such account of mine and the steps necessary for your protection in connection therewith, take into consideration the condition of said guaranteed account or accounts.

I also agree that this guaranty is a continuing one and shall cover the period of existence of said account or accounts, and I expressly consent that said account or accounts may be changed by said Customer from time to time by the purchase and sale of securities or other property and/or by payments and/or deliveries of securities or other property to said Customer without notice to me.

I also agree that this guarantee shall continue regardless of changes in the membership of your firm and shall enure to the benefit of any firm continuing after the dissolution of your firm, and which is carrying the account of said Customer.

I also agree that this guaranty shall remain in full force regardless of the existence of other guaranties covering the account or accounts of said Customer and whether or not you may at any time in whole or in part release other guarantors and shall continue in full force whether or not you may at any time make any agreement either with said Customer or with any other guarantors for the extension of any obligation due to you by them or any of them.

This guaranty shall be binding upon and, enforceable against my executors, administrators and assigns, and my death shall not terminate my liability hereunder, my estate to be liable for all transactions, within the scope of this guaranty, conducted in the said account prior to the receipt by you of notice of my death. My estate shall also continue liable with respect to any losses which may be incurred in liquidating the account during a reasonable time subsequent to the receipt of such notice.

Any controversy which may arise between us, either with respect to this guaranty or with respect to any of the transactions in any of the guaranteed accounts, shall be determined by arbitration pursuant to the Law of the State of New York. Said arbitration shall be before three arbitrators, to be selected by the American Arbitration Association, and shall be held in accordance with its rules.

David A. Buckley

Dated April 10 1964

Accepted: NEWBURGER, LOEB & COMPANY

By

PLAINTIFF'S EXHIBIT 7

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., WHITEHALL 4-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
920 Flatbush Avenue at Church Avenue (Brooklyn)
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street

PLAINTIFF'S EXHIBIT 7.

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

E 21

July 16, 1964

Mr. David Buckley
82 West River Road
Rumson, New Jersey

Dear Mr. Buckley:

We are writing to confirm to you that your account, which was introduced to us by Gross & Co., is considered to be an account of Newburger, Loeb & Co. and, as such, it has the same standing as any account which has been opened by one of our own representatives.

If you have any further questions, please do not hesitate to get in touch with the undersigned partner.

Very truly yours,

Leo Stern

LS:cb

PLAINTIFF'S 6/11/71
DEFENDANT'S Ex 17
RICHARD KAUFMAN

Newburger, Loeb & Co.

PLAINTIFF'S EXHIBIT 8.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., • WHITEHALL 4-6300

Branch Offices
4 East 28th Street at 5th Avenue
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57 West 57th Street at 6th Avenue
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street
920 Flatbush Ave., at Church Ave., (Brooklyn)

E 22

Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange • Commodity Exchange • New York Cocoa Exchange

FOR YOUR IMMEDIATE ATTENTION

PLAINTIFF'S EXHIBIT 8.

Mr. David W. Buckley

80D

(2nd Request)

September 14, 1966

At this time, your account with us is under-margined, and we request you to remit immediately $90,000.00, to be credited to your account.

Although sending this demand for margin, we are reserving the right, without further notice, to place stop-loss orders or market orders to close out your account in whole or in part, should we deem such action necessary for our protection.

Very truly yours,

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 8.

E 23

Established by David + MARY Buckley 9/14/62

FORM 2108 25M

DI | REOP

(To be filled in FULL by Customer's Man)

N. L. & CO

Date 3-22-62

Full Name DAVID W. BUCKLEY

Customer's Man BD Gordon

Mailing Address 23 DOGWOOD LANE, RUMSON N J (PRINT)

Home Address SAME

Home Phone

Name & Type of Firm Lehman Bros

Position Assist Exec.

(If retired give name of last business and state "RETIRED")

Business Address 340 Park Ave NYC

Business Phone MU8-6000

CASH A/C MARGIN A/C COMMODITY A/C

Bank Reference Address

Type of Bank a/c Regular Checking ☐ Special Checking ☐ Savings ☐

Remarks: Personal Trust

Firm Margin Mail Clerk 14 Is Customer U.S. Citizen Yes

(Change of address on reverse side) (Yes or No)

PLAINTIFF'S EXHIBIT 8. E 24

DOMESTIC SERVICE
Check the class of service desired; otherwise this message will be sent as a fast telegram
TELEGRAM
DAY LETTER
NIGHT LETTER

$ S E

WESTERN UNION
TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVI
Check the class of service de otherwise the message wi sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE SHIP

NO. WDS.-CL. OF SVC.	PD OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

David W. Buckley 82 West River Road, Rumson, N.J. 80D September 30, 1966

UNLESS WE RECEIVE $ 110,000 BY 1:00 P.M. Oct. 5, 1966 WE SHALL SELL any th
THAT DAY FOR YOUR ACCOUNT AND RISK fit.

1155 Shares of Georgia Pacific Corp.

WE RESERVE THE RIGHT TO PLACE STOP LOSS OR MARKET ORDERS IN THE MEANTIME IF WE DEEM IT NECESSARY FOR OUR PROTECTION.

NEWBURGER, LOEB & CO.

DOMESTIC SERVICE
Check the class of service desired; otherwise this message will be sent as a fast telegram
TELEGRAM X
DAY LETTER
NIGHT LETTER

$ S E

WESTERN UNION
TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERV
Check the class of service d otherwise the message w sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE SHIP

SEP 30 1966 FT

NO. WDS.-CL. OF SVC.	PD OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
1 LT			8 F	

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NEWBURGER, LOEB & CO.

390

PLAINTIFF'S EXHIBIT 8.

E 25

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 Hanover Square, New York 4, N. Y. • WHitehall 4-6300

Branch Offices
4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street
920 Flatbush Ave., at Church Ave., (Brooklyn)

Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange • Commodity Exchange • New York Cocoa Exchange

FOR YOUR IMMEDIATE ATTENTION

Mrs. Mary S. Buckley — 80D (2nd Request) — September 14, 1966

At this time, your account with us is under-margined, and we request you to remit immediately $ 34,000.00, to be credited to your account.

Although sending this demand for margin, we are reserving the right, without further notice, to place stop-loss orders or market orders to close out your account in whole or in part, should we deem such action necessary for our protection.

Very truly yours,

NEWBURGER, LOEB & CO.

FORM 1705 3M SETS 10-62

PLAINTIFF'S EXHIBIT 8. E

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004, WH 4-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street
920 Flatbush Avenue at Church Avenue (Brooklyn)

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

Mary Buckley 80D November 1, 1966

Dear Sir (or Madam):

We wish to inform you that we are unwilling to carry your account containing 7600 shares of Westec Corporation and that we reserve the right to place orders for the sale of that stock at any time upon the resumption of trading in that stock.

Of course, if you wish us to hold the stock for your account, we will do so provided you have paid the debit balance in your account before the trading in that stock is resumed.

Very truly yours,

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 8. E 27

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

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Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

Mr. David Buckley 80D NOvember 1, 1966

Dear Sir (or Madam):

We wish to inform you that we are unwilling to carry your account containing 3700 shares of Westec Corporation and that we reserve the right to place orders for the sale of that stock at any time upon the resumption of trading in that stock.

Of course, if you wish us to hold the stock for your account, we will do so provided you have paid the debit balance in your account before the trading in that stock is resumed.

Very truly yours,

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 8.

E 28

DOMESTIC SERVICE
Check the class of service desired; otherwise this message will be sent as a fast telegram

TELEGRAM	
DAY LETTER	
NIGHT LETTER	

$ S E

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1206 (4-55)

INTERNATIONAL SERVICE
Check the class of service desired; otherwise the message will be sent at the full rate

FULL RATE	
LETTER TELEGRAM	
SHORE SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

David W. Buckley 82 West River Road, Rumson, N.J. 30D September 30, 1966

UNLESS WE RECEIVE $ 110,000 BY 1:00 P.M. Oct. 5, 1966 WE SHALL SELL any time we see fit. THAT DAY FOR YOUR ACCOUNT AND RISK

1155 Shares of Georgia Pacific Corp.

WE RESERVE THE RIGHT TO PLACE STOP LOSS OR MARKET ORDERS IN THE MEANTIME IF WE DEEM IT NECESSARY FOR OUR PROTECTION.

NEWBURGER, LOEB & CO.

---

western union **Telegram**

NO. WDS.–CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	☐ OVER NIGHT TELEGRAM UNLESS BOX ABOVE IS CHECKED THIS MESSAGE WILL BE SENT AS A TELEGRAM

Send the following message, subject to the terms on back hereof, which are hereby agreed to

NOVEMBER 11 1970

TO David & Mary Buckley

CARE OF OR APT. NO.

STREET & NO. 23 Dogwood Lane

TELEPHONE

CITY & STATE Rumsen, N.J.

ZIP CODE

In accordance with the agreements which you executed in connection with the opening of your margin accounts with this Firm, we are commencing today to liquidate your holdings in Tech-Sym Corporation.

Newburger, Loeb & Co.

Richard N. Miles

SENDER'S TEL. NO. 944-6300

NAME & ADDRESS Newburger, Loeb & Co.
5 Hanover Square, New York, N.Y.

WU 1207 (R 5-69)

PLAINTIFF'S EXHIBIT 8.

E 29

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., WHITEHALL 4-6300

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920 Flatbush Avenue at Church Avenue (Brooklyn)

Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange Commodity Exchange, Inc. • New York Cocoa Exchange

TO COMPLY WITH FEDERAL REGULATIONS YOUR IMMEDIATE ATTENTION IS NECESSARY

The Securities Exchange Act requires us to make this demand, even though sufficient margin may have already been sent or promised.

David W. &Mrs. Mary Buckley 2CD

Date: July 19, 1965

Dear Sir (or Madam:)

Due to transactions made today for your account, it will be necessary* for you to deposit with our firm as soon as possible, but in any event on or before July 23, 1965 the sum of $...9585.00..... (or securities of loan value equivalent thereto).

May we call to your attention that we are not permitted* to reduce the amount of the above call due to fluctuations in the value of the securities in your account, and hence if such sum in full is not received from you on or before the above date, we are required* to sell and/or buy sufficient securities for your account to provide the necessary margin, and we shall sell and/or buy, without further notice to you, such securities at 3 P.M. on the above date.

This notice, however, does not limit or abrogate our right to purchase or sell securities for your account prior to the above date and/or enter stop loss orders if in our sole discretion market conditions or other circumstances shall justify.

Very truly yours,

NEWBURGER, LOEB & CO.

(*) *Requirements of Regulation T of the Federal Reserve Board under the Securities & Exchange Act of 1934.*

Form 1706

PLAINTIFF'S EXHIBIT 8.

E 30

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., WHITEHALL 4-6300

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The Securities Exchange Act requires us to make this demand, even though sufficient margin may have already been sent or promised.

TO COMPLY WITH FEDERAL REGULATIONS YOUR IMMEDIATE ATTENTION IS NECESSARY

David & Mary Buckley 8CD Date: July 12, 1965.

Dear Sir (or Madam:)

Due to transactions made today for your account, it will be necessary* for you to deposit with our firm as soon as possible, but in any event on or before ...July 16, 1965... the sum of $...12,043.00..... (or securities of loan value equivalent thereto).

May we call to your attention that we are not permitted* to reduce the amount of the above call due to fluctuations in the value of the securities in your account, and hence if such sum in full is not received from you on or before the above date, we are required* to sell and/or buy sufficient securities for your account to provide the necessary margin, and we shall sell and/or buy, without further notice to you, such securities at 3 P.M. on the above date.

This notice, however, does not limit or abrogate our right to purchase or sell securities for your account prior to the above date and/or enter stop loss orders if in our sole discretion market conditions or other circumstances shall justify.

Very truly yours,

NEWBURGER, LOEB & CO.

(*) *Requirements of Regulation T of the Federal Reserve Board under the Securities & Exchange Act of 1934.*

Form 1706

PLAINTIFF'S EXHIBIT 8.

E - 31

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., WHITEHALL 4-6300

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Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange Commodity Exchange, Inc. • New York Cocoa Exchange

The Securities Exchange Act requires us to make this demand, even though sufficient margin may have already been sent or promised.

TO COMPLY WITH FEDERAL REGULATIONS YOUR IMMEDIATE ATTENTION IS NECESSARY

David W. & Mrs. Mary Buckley SCD Date: July 16, 1965

Dear Sir (or Madam:)

Due to transactions made today for your account, it will be necessary* for you to deposit with our firm as soon as possible, but in any event on or before July 22, 1965 the sum of $..23[illegible].00..... (or securities of loan value equivalent thereto).

May we call to your attention that we are not permitted* to reduce the amount of the above call due to fluctuations in the value of the securities in your account, and hence if such sum in full is not received from you on or before the above date, we are required* to sell and/or buy sufficient securities for your account to provide the necessary margin, and we shall sell and/or buy, without further notice to you, such securities at 3 P.M. on the above date.

This notice, however, does not limit or abrogate our right to purchase or sell securities for your account prior to the above date and/or enter stop loss orders if in our sole discretion market conditions or other circumstances shall justify.

Very truly yours,

NEWBURGER, LOEB & CO.

(*) *Requirements of Regulation T of the Federal Reserve Board under the Securities & Exchange Act of 1934.*

Form 1706

PLAINTIFF'S EXHIBIT 8.

E 32

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK 4, N. Y., WHITEHALL 4-6300

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The Securities Exchange Act requires us to make this demand, even though sufficient margin may have already been sent or promised.

TO COMPLY WITH FEDERAL REGULATIONS YOUR IMMEDIATE ATTENTION IS NECESSARY

David & Mary Buckley 80D

Date: July 9, 1965

Dear Sir (or Madam:)

Due to transactions made today for your account, it will be necessary* for you to deposit with our firm as soon as possible, but in any event on or before July 15, 1965 the sum of $ 23,867.00 (or securities of loan value equivalent thereto).

May we call to your attention that we are not permitted* to reduce the amount of the above call due to fluctuations in the value of the securities in your account, and hence if such sum in full is not received from you on or before the above date, we are required* to sell and/or buy sufficient securities for your account to provide the necessary margin, and we shall sell and/or buy, without further notice to you, such securities at 3 P.M. on the above date.

This notice, however, does not limit or abrogate our right to purchase or sell securities for your account prior to the above date and/or enter stop loss orders if in our sole discretion market conditions or other circumstances shall justify.

Very truly yours,

NEWBURGER, LOEB & CO.

(*) *Requirements of Regulation T of the Federal Reserve Board under the Securities & Exchange Act of 1934.*

Form 1706

PLAINTIFF'S EXHIBIT 8.

E 33

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

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Members New York Stock Exchange • *American Stock Exchange* • *Chicago Board of Trade* • *New York Cotton Exchange*
Commodity Exchange, Inc. • *New York Cocoa Exchange*

The Securities Exchange Act requires us to make this demand, even though sufficient margin may have already been sent or promised.

TO COMPLY WITH FEDERAL REGULATIONS YOUR IMMEDIATE ATTENTION IS NECESSARY

David & Mrs. Mary Buckley COD Date: July 20, 1965

Dear Sir (or Madam:)

Due to transactions made today for your account, it will be necessary* for you to deposit with our firm as soon as possible, but in any event on or before July 26, 1965 the sum of $ 2,184.00 (or securities of loan value equivalent thereto).

May we call to your attention that we are not permitted* to reduce the amount of the above call due to fluctuations in the value of the securities in your account, and hence if such sum in full is not received from you on or before the above date, we are required* to sell and/or buy sufficient securities for your account to provide the necessary margin, and we shall sell and/or buy, without further notice to you, such securities at 3 P.M. on the above date.

This notice, however, does not limit or abrogate our right to purchase or sell securities for your account prior to the above date and/or enter stop loss orders if in our sole discretion market conditions or other circumstances shall justify.

Very truly yours,

NEWBURGER, LOEB & CO.

(*) *Requirements of Regulation T of the Federal Reserve Board under the Securities & Exchange Act of 1934.*

Form 1706

PLAINTIFF'S EXHIBIT 8.

E 34

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 Hanover Square, New York 4, N. Y. • WHitehall 4-6300

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Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange • Commodity Exchange • New York Cocoa Exchange

FOR YOUR IMMEDIATE ATTENTION

Mrs. Mary S. Buckley SOD Sept 1, 1966

At this time, your account with us is under-margined, and we request you to remit immediately $ 34,000.00 , to be credited to your account.

Although sending this demand for margin, we are reserving the right, without further notice, to place stop-loss orders or market orders to close out your account in whole or in part, should we deem such action necessary for our protection.

Very truly yours,

NEWBURGER, LOEB & CO.

FORM 1705 3M SETS 10-62

PLAINTIFF'S EXHIBIT 8.

E 35

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 Hanover Square, New York 4, N. Y., • WHitehall 4-6300

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Members New York Stock Exchange • American Stock Exchange • Chicago Board of Trade • New York Cotton Exchange • Commodity Exchange • New York Cocoa Exchange

FOR YOUR IMMEDIATE ATTENTION

Mr. David W. Buckley SOD Sept 1, 1966

At this time, your account with us is under-margined, and we request you to remit immediately $ 90,000.00, to be credited to your account.

Although sending this demand for margin, we are reserving the right, without further notice, to place stop-loss orders or market orders to close out your account in whole or in part, should we deem such action necessary for our protection.

Very truly yours,

NEWBURGER, LOEB & CO.

DATE: 6/3/71

	David Buckley	Mary Buckley
October 1966 (all other securities liquidated)		
DR BAL	$ 142,157.	$ 147,625.
Total Deficit - $289,782.		
May 15, 1969 (first available price after Westec reinstated)		
DR BAL	$ 168,008.	$ 174,631.
MKT VAL (WE at 7 5/8)	28,212. (3700shs)	57,950. (7600shs)
DEFICIT	$ 139,796.	$ 116,681.
Total Deficit - $256,477.		
June 23, 1969 (Rec'd 2500 WE from Merrill Lynch)		
DR BAL	$ 169,718.	$ 176,409.
MKT VAL (WE at 6)	37,200. (6200shs)	45,600. (7600shs)
DEFICIT	$ 132,518.	$ 130,809.
Total Deficit - $263,327.		
May 5, 1970		
DR BAL	$ 184,106.	$ 191,364.
MKT VAL (WE at 3 1/8)	19,375. (6200shs)	23,750. (7600shs)
DEFICIT	$ 164,731.	$ 167,614.
Total Deficit - $332,345.		
Based on 1969/70 High -		
DR BAL	$ 184,106.	$ 191,364.
MKT VAL (WE at 11 3/4)	72,850. (6200shs)	89,300. (7600shs)
DEFICIT	$ 111,256.	$ 102,064.
Total Deficit - $213,320.		
Interest Charged -	$ 184,106.	$ 191,364.
	142,157.	147,625.
	$ 41,949.	$ 43,739.
Total Interest - $85,688.		

184,106
191,364
375,470

$213,320.
85,688.
$127,632.

PLAINTIFF'S EXHIBIT 22.

E 36

E 37

PLAINTIFF'S EXHIBIT 23.

Balance Sheet, D.W. Buckley, 12/15/66

Assets		Liabilities	
Cash	3,000	SCNB	257,000
House	150,000	Chase Man.	75,000
Westec	?	Mon. Cty.	17,000
GP	48,000 (1200@40)	1st. Mort.	90,000
	201,000	New. Loeb.	289,000
		Mer. Lynch	35,000
			766,000

D.W. Buckley Transactions, Newburger Loeb

Year	# Transactions	Sales	Cost	P/L	Total Trans.	Cash in A co't
1962	110	$212,193	224,129	(11,936)	436,322	63,717
1963	240	879,351	854,378	24,973	1,733,729	113,264
1964	540	2,907,394	2,990,309	(82,915)	5,897,703	133,423
1965	189	810,021	807,620	2,401	1,617,641	161,780
1966	31	268,795	375,367	(106,572)	644,162	65,416
	1110	5.077,754	5,251,803	(174,049)	9,329,557	

PLAINTIFF'S EXHIBIT 24.

Transfer Agreement executed Feb. 11, 1971

PLAINTIFF'S EXHIBIT 24.

E - 38

AGREEMENT dated as of the 31st day of December, 1970, between NEWBURGER, LOEB & CO., INC., a Delaware corporation (hereinafter referred to as the "Transferee"), and NEWBURGER, LOEB & CO., a limited partnership organized and existing pursuant to Article VIII of the New York Partnership Law (hereinafter referred to as the "Transferor").

W I T N E S S E T H :

WHEREAS, the Transferee has been formed by Messrs. Robert Muh and Paul Risher (the "Stockholders") and the Transferor, together with the Stockholders and certain others who desire to purchase the stock of the Transferee, intends to transfer funds and assets to the Transferee (pursuant to Section 351 of the Internal Revenue Code of 1954, as amended), so that it may carry on the busiress presently conducted by the Transferor;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements hereinafter contained, it is agreed as follows:

1. Assets To Be Transferred. Transferor agrees to transfer, and the Transferee agrees to accept, all of Transferor's assets, real and personal, tangible and intangible, vested or contingent, of any nature whatsoever, subject only to the liabilities specifically assumed hereunder (hereinafter sometimes called the "Property").

2. Transferor's Liabilities Assumed by Transferee. Transferee agrees to assume all liabilities of the Transferor shown on its balance sheet as of December 31, 1970, as set forth on Schedule A attached hereto, all liabilities specifically set forth on Schedule A2, and all liabilities incurred by Transferor from December 31, 1970 to the Closing Date in the ordinary course of business. Except for the liabilities assumed hereunder, the Transferee does not assume any other liabilities of the Transferor including but not limited to the liability of the Transferor and any one of its members for federal, state and local taxes of any kind or nature.

3. The Closing. The Closing of the transfer will take place at 10:00 A.M. on the 25th day of January, 1971 at the offices of Fir[illegible], Kumble, Underberg, Persky & Roth, 477 Madison Avenue, New York, New York, or at such other adjourned date and place as shall be mutually agreed upon in writing by the parties (including, for this purpose, the limited partners of Transferor). Such date and time of closing are herein defined as the "Closing".

4. Transferor's Representations and Warranties. Transferor hereby represents and warrants that:

(a) Transferor is a duly organized and validly existing limited partnership pursuant to Article VIII of the New York Partnership Law

and the Restated Articles of Limited Partnership of the Transferor, as amended, dated February 26, 1970, are and on the Closing Date will be in full force and effect and since February 26, 1970 to the date of this Agreement has not been amended, altered or modified in any way and between the date of this Agreement and the Closing Date shall not be amended, altered or modified in any way, except as a result of withdrawals of various partners thereof.

(b) Transferor has good and marketable title in and to any of the assets transferred pursuant to Section 1 above free and clear of any liens, encumbrances and restrictions, except such as are expressly assumed hereunder as set forth in Schedules A and A2. Transferor has authority and power to transfer and assign all agreements and leases to be transferred pursuant to Section 1 above and will have obtained by the Closing consents where necessary to such assignment and transfer;

(c) Transferor has, and will have on the Closing, possession of the assets, Property and leaseholds to be transferred hereunder and no other person has or on the Closing Date will have any rights or possession or use or control of any part of the assets and Property transferred hereunder; except for subleaseholds disclosed in the schedules attached hereto.

(d) Transferor is not, and on the Closing Date will not be, in breach or default of any of its material obligations under the leases (except for payment of certain rent), the clearing agreement with W. E. Hutton & Co., underwriting agreements or other agreements assigned under Section 1, all of which are set forth in Schedule B, and, between the date of each of the aforesaid instruments and the date of this Agreement, Transferor has not entered into any amendment, modification or alteration of any of the leases, the clearing agreement, underwriting agreements or other agreements hereinabove referred to, except as specifically agreed to in writing and disclosed to Transferee and except as contemplated herein;

(e) Transferor is not, and on the Closing Date will not be, a party to any other material agreement other than the agreements set forth in Schedule B; and between the date of this Agreement and the Closing, Transferor will not enter into any other agreement other than in the normal and ordinary course of business without the prior written consent of Transferee and except as contemplated herein;

(f) Except as disclosed in Schedule C, there is no litigation, action, suit or administrative proceeding pending or threatened against the Transferor which might materially and adversely affect the assets and business of the Transferor being transferred hereunder

or which might interfere with the transactions contemplated by this Agreement; and

(g) Except as referred to in Schedules A and A2 attached hereto and made a part hereof or otherwise assumed pursuant to the provisions hereof, there are no liabilities or other obligations of the Transferor owed to either the New York Stock Exchange or the American Stock Exchange, including, but not limited to, floor charges and other amounts which are a lien on the memberships in each such exchange, and between the date of this Agreement and the Closing, all such liabilities will be discharged as they accrue unless the Transferee specifically agrees in writing to the contrary.

5. Transferee's Representations and Warranties. Transferee hereby represents, warrants and agrees that:

(a) Transferee is a corporation duly organized, existing and in good standing under the laws of the State of Delaware;

(b) Prior to the Closing, Transferee will have taken all necessary corporate and legal action t uthorize the execution, delivery and performance of this Agreement, and the execution, delivery and performance of this Agreement by Transferee and on the Closing Date will not be in contravention of Transferee's certificate of incorporation or its By-Laws or any contract or agreement to which Transferee is a party or subject.

6. Conditions Precedent to Transferee's Obligations. Each and every obligation of Transferee to be performed on the Closing Date or thereafter, as the case may be, shall be subject to the satisfaction prior thereto of the following conditions unless specifically waived in writing by the Transferee:

(a) The representations and warranties made by Transferor in this Agreement shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date;

(b) Transferor shall have performed and complied with all of its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date;

(c) Transferor shall have delivered to Transferee a certificate of the Executive Committee of Transferor certifying in such detail as Transferee may specify the fulfillment of the conditions set forth in this Section 6;

(d) Transferee shall have received from counsel for Transferor a written opinion dated as of the Closing Date addressed to Transferee and satisfactory to Transferee's counsel in form and substance as to the power and authority of Transferor to enter this

Agreement and consummate the transactions contemplated hereby;

(e) All proceedings to be taken in connection with the transaction contemplated by this Agreement, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Transferee; and Transferor shall have made available to Transferee for examination the originals or true and correct copies of all records and documents relating to the business and affairs of Transferor which Transferee may request in connection with said transaction;

(f) There shall have been delivered to Transferee valid assignments of all leases, contracts and other agreements to be assigned and delivered hereunder, without material change in terms and conditions (except as provided in this Agreement), together with all necessary consents to any such assignments endorsed thereon or attached thereto;

(g) No investigation, suit; action or other proceeding shall be threatened or pending before any court or governmental agency which in the opinion of Transferee's counsel is likely to result in the restraint, prohibition or the obtaining of damages or other relief in connection with this Agreement or the consummation of the transactions contemplated

hereby, or in connection with any claim related solely to the business of the Transferor against Transferor or the persons named as general partners of Transferor under the Restated Articles of Partnership of Newburger, Loeb & Co., as amended, dated February 26, 1970, (the "1970 Partners") (the "1970 Agreement") not disclosed by the Schedules attached hereto.

(h) The transfer of the business, property and assets of Transferor in the manner contemplated by this Agreement shall have been duly and validly authorized and approved by all the general partners of Transferor, and Transferor shall have delivered to Transferee evidence, in form satisfactory to Transferee's counsel, of such authorization and approval and of compliance with any other statutory and regulatory requirements for the valid consummation by Transferor and Transferee of the transaction contemplated by this agreement;

(i) Between the date of this Agreement and the Closing, there shall not have been any material adverse change in the condition, financial or otherwise, of the business of the Transferor to be transferred under this Agreement and there shall not have been any breach of or default in the Transferor's obligations under or its performance of the provisions of Section 8 of this Agreement;

(j) The transfer of the memberships on the New York Stock Exchange and the American Stock Exchange

to stockholders of the Transferee shall have been approved by each of the Exchanges in accordance with their respective applicable rules and regulations, and the documents evidencing such approval shall be delivered to the Transferee at the Closing;

(k) At or prior to the Closing, the Transferor shall have changed its name from Newburger, Loeb & Co. to any other substantially dissimilar name prior to the Closing, shall deliver at the Closing its written authorization for the use in perpetuity of the name Newburger, Loeb & Co. and names similar thereto containing the name "Newburger" by the Transferee and the written authorization of Robert L. Newburger and Andrew M. Newburger to use said name and names similar thereto for the Transferee in perpetuity at the Closing;

(l) The Transferor shall deliver at the Closing a written waiver executed by a majority in interest of its members of the non-competition provisions of paragraph 7.1(a) of the Restated Articles of Limited Partnership of the Transferor in favor of all members of the Transferor who make a written request for such waiver to enable them to participate in the activities of the Transferee to the fullest extent;

(m) Transferor shall have cooperated with and aided Transferee in transferring from the employ of Transferor to the employ of Transferee all those registered representatives as to which Transferee gives Transferor notice that it shall employ them, such cooperation and aid to include all filings necessary or otherwise required by any securities or commodity exchange, the Securities and Exchange Commission, the National Association of Securities Dealers or any other administrative body to effectuate such transfer of employment;

(n) Transferee shall have been approved by the New York Stock Exchange and the American Stock Exchange as a member firm, and shall have been registered as a broker-dealer with the Securities and Exchange Commission and all other necessary governmental agencies;

(o) There shall have been delivered to Transferee assignments, in form and substance satisfactory to counsel to Transferee, by Transferor of any "back office" recoveries and claims of Transferor and its 1967, 1968 and 1969 predecessors, applicable to the period January 1, 1967 to date, net of expenses, counterclaims, set-offs and third-party claims with respect to back office operations (collectively "Set-offs"). If Set-offs are paid by Transferor and not otherwise recouped, Transferee shall repay to Transferor an amount equal to such unrecouped Set-offs to the extent of net recoveries by Transferee.

7. Conditions Precedent to Transferor's Obligations. Each and every obligation of Transferor to be

performed on the Closing Date shall be subject to the satisfaction prior thereto of the following conditions, unless specifically waived in writing by Transferor:

(a) Transferee's representations and warranties contained in this Agreement shall be true at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date;

(b) Transferee shall have performed and complied with its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date;

(c) Transferee shall have delivered to Transferor an opinion of Transferee's counsel, dated as of the Closing Date, satisfactory to Transferor in form and substance, as to Transferee's corporate existence and good standing and that the execution and performance of this Agreement have been authorized by the Board of Directors of Transferee;

(d) Transferee shall have delivered to Transferor certified copies of the resolution of its Board of Directors authorizing the execution, delivery and performance of this Agreement, and the issuance of the securities and obligations required hereby;

7. A. In addition to the items set forth in Paragraph 10, the following transactions shall take place prior to closing: E 49

(a) 8,000 shares of Bacardi Corp. shall have been deposited in a senior subordinated account with Transferee under a subordination agreement expiring no earlier than December 31, 1973;

(b) Messrs. Robert Muh and Paul Risher shall have entered into employment agreements with Transferee commencing on the Closing Date and terminating December 31, 1972. Such employment agreements shall provide for salaries at the rate of $35,000 per year or commissions at the rate then paid to registered representatives, whichever is higher. Additional compensation may be granted to Messrs. Risher and Muh in any fiscal year provided that the aggregate of all compensation paid to them does not exceed 16% of Transferee's net profits in each year (before deduction of such compensation).

(c) Fred Kayne shall have entered into an employment agreement with Transferee commencing the Closing Date and terminating December 31, 1972 whereby he is to be paid by commissions at the rate then paid to registered representatives;

(d) There shall have been delivered to Transferor, for delivery to Transferee at the Closing, (1) a three-year note of Robert Newburger to Transferee in the amount of $129,485, secured by an assignment of any and all federal and state income tax refunds due or to

together with a power of attorney to Robert S. Persky, or such other person as may be acceptable to the parties, as trustee, to collect same and turn such over to Transferee; (2) three-year notes of Robert L. Stern and Harold J. Richards to the order of Transferee in the amounts of $293,430 and $48,350, respectively, secured by assignments of any and all federal and state income tax refunds due or to be due to them, together with a power of attorney to Robert S. Persky, or such other person as may be acceptable to the parties, as trustee, to collect same and turn such over to Transferee; and (3) a three-year note of Andrew Newburger to the order of Transferee, in the amount of $359,022, secured by an assignment of the first $200,000, one-half of the next $100,000, and three-quarters of any excess of any and all federal and state income tax refunds due or to be due to him, together with a power of attorney to Robert S. Persky, or such other person as may be acceptable to the parties, as trustee, to collect same and turn such over to Transferee. All of the above assignments of refunds shall be net of reasonable attorneys' and accountants' fees and expenses reasonably incurred in collecting such refunds. To the extent such refunds are received by Transferee, they shall reduce, on a dollar for dollar basis, the principal amount of the note of the respective assignor.

(e) The purchase of common stock by Messrs. Muh, Risher, Kayne and Aixala, as set forth below, shall have been consummated.

8. Conduct of Transferor's Business Pending Closing Date. From and after the date of this Agreement and until the Closing Date:

(a) Transferee and its authorized representatives shall have full access during normal business hours to all properties, books, records, contracts and documents of Transferor, and Transferor shall furnish or cause to be furnished to Transferee and its authorized representatives all information with respect to the affairs and business of Transferor as Transferee may request;

(b) Transferor shall carry on its business diligently and substantially in the same manner as heretofore and shall not make or institute any unusual or novel purchase, sale, lease, management, accounting or operation;

(c) Neither Transferor nor its members shall enter into any contract or commitment or engage in any transaction not in the usual and ordinary course of business without the prior written consent of Transferee;

(d) Neither Transferor nor its members will sell or dispose of any assets, other than securities, with an original cost in excess of $100 without the prior written consent of either Muh or Risher;

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(e) Without the prior written consent of the Transferee, Transferor will not create any indebtedness, other than that incurred in the usual and ordinary course of business, incurred pursuant to existing contracts disclosed in the Schedules attached hereto, or incurred pursuant to commitments permitted hereby, or that reasonably incurred in doing the acts and things contemplated by this Agreement;

(f) Transferor and all property, real and personal, owned or leased by Transferor and its subsidiaries will be adequately insured against all ordinary and insurable risks; and all property shall be used, operated, maintained and repaired in a normal business manner;

(g) Transferor will use its best efforts (without making any commitments on behalf of Transferee) to preserve its business organization intact, to keep available to Transferee the present key officers and employees of Transferor requested by Transferee, and to preserve for Transferee the present relationships of Transferor and its members with customers and others having business relations with them;

(h) Transferor shall not do any act or omit to do any act, or permit any act or omission to act, which will cause a material breach of any material

contract, commitment or obligation of Transferor;

(i) Transferor will duly comply with all applicable laws as may be required for the valid and effective transfer of the property, assets and business contemplated by this Agreement;

(j) Transferor will furnish to Transferee all the information concerning Transferor required for inclusion in any statement or application made by Transferee to the New York and American Stock Exchanges and any governmental body in connection with the transaction contemplated by this Agreement, and Transferor represents and warrants that all such information furnished to Transferee for such applications or statements shall be true and correct in all respects without omission of any material fact to be stated to make the information not misleading;

(k) It is understood and agreed that between the date of this Agreement and the Closing hereunder, certain members of the Transferor are or may become shareholders, directors, officers or employees of the Transferee; that such members of the Transferor will continue to function in their capacities as such in the normal and regular conduct of the Transferor's business with all the rights, powers and duties as they presently hold or

owe without any additional liabilities or obligations to the Transferor beyond those imposed upon them by the terms of the abovementioned Restated Articles of Limited Partnership; and that no self-dealing, conflict of interest or other fiduciary duties shall be imputed or otherwise charged to them by reason of their continuing to function simultaneously as members of the Transferor and shareholders, directors, officers or employees of the Transferee between the date of this Agreement and until such time as they shall withdraw;

(l) Risher, Muh & Co., Inc. will be retained by Transferor to assist its management, at the rate of $5,834 per month. The consent of either of Messrs. Muh or Risher shall be required for any expenditure or commitment in excess of $100.

9. Issuance of Securities and Stock. The following securities and stock will be issued by Transferee at the Closing:

(a) Subordinated convertible notes in such amounts as set forth in Schedule D, in the aggregate principal amount of $1,315,494 (said amount being the 60% aggregate value of the securities and cash contributed by the limited partners of Transferor as at November 30, 1970 or December 31, 1970 as to securities still held or the amount realized (without commissions) if any such securities were sold between those dates, and unpaid interest to December 31, 1970). The principal of each of such notes shall be payable 50% on Decem-

ber 31, 1973 and 50% on December 31, 1974, and they shall bear interest at 2% over the prime rate as designated from time to time by Chemical Bank, New York, New York; but in no event shall interest ever be greater than the higher of 9% or the then prime rate. All interest to be payable quarterly on a mandatory basis, but only out of earnings of the current year to date. In the event that earnings for the year permit interest in excess of the interest previously paid for such year, such excess interest shall then be paid (up to the maximum interest payable); in all other respects, the interest on such notice shall be non-cumulative. The notes shall be convertible at the option of the holder into an aggregate of 140,394 shares of non-voting common stock of Transferee at the option of the registered holder, with usual provisions for price antidilution. These subordinated convertible notes are subordinate to the subordinated accounts described in section 9A below, in all respects, including liquidation and payment of principal, interest (except for interest to be paid out of earnings), the delivery of dividends, interest upon securities and capital gains distribution upon securities. Therefore, no payment may be made on these notes when there is a default with respect to the subordinated accounts. They will contain restrictions, until they are paid, against (i) the payment of dividends or other distributions on, or redemptions of, any capital stock of Transferee (except regular dividends on the Preferred Stock to be issued pursuant to paragraph 9(c) of this Agreement); (ii) operations out of the ordinary course of the brokerage business; and (iii) such other matters as may reasonably be mutually agreed;

(b) Transferee will duly authorize and issue at the Closing non-voting common stock representing 3-1/2% (plus 10,000 shares) of its issued and

of the subordinated accounts

outstanding common stock on the date of Closing pro rata to such owners at 5 cents per share;

(c) With respect to each $100 in the capital accounts of former or present 1970 Partners of Transferor (other than those listed on Schedule E) whose capital accounts are not in deficit, calculated as of November 30, 1970, one share of 5% convertible preferred stock, $100 par value, of Transferee, each share of which shall be convertible into 5 shares of non-voting common stock of Transferee (which conversion rate shall be subject to normal price anti-dilution provisions). Dividends on said convertible preferred stock shall be payable quarterly on a mandatory basis, but only out of earnings of the current year to date. In the event that year end earnings permit dividends in excess of the dividends previously paid for such year, such excess dividends may then be paid (up to the maximum dividend payable); in all other respects, the dividends on such preferred stock shall be non-cumulative. No dividend shall be paid nor provision therefor be made in any year with respect to any other class of stock (other than the Series A Preferred) prior to provision for payment in full of the dividend on the 5% convertible preferred stock. The relative rights, preferences, and limitations of the 5% convertible preferred stock of the Transferee shall not be subject to alteration, amendment or change, nor shall any class of stock equal or superior in rights to the 5% convertible preferred stock be created, except upon the written consent of the holders of 66-2/3% of such convertible preferred

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preference over all other classes of stock (other than Series A Preferred) upon the dissolution of, or upon any distribution of substantially all the assets of, the Transferee equal to its par value, and (ii) be non-voting (except in those situations provided in the certificate of incorporation or under Delaware law under which such preferred stock shall have voting rights to vote as a class) Under no circumstances shall any shares of preferred stock be redeemed prior to the payment in full of the subordinated accounts described in Section 9A below and the subordinated notes described in Paragraph 9(a).

(d) With respect to each $100.00 of 40% of the aggregate value of the securities and cash contributed by the limited partners of Transferor as at November 30, 1970 or December 31, 1970 as to securities still held or the amount realized (without commissions) if any such securities were sold between those dates, and unpaid interest to December 31, 1970, one share of Series A Convertible Preferred Stock, $100.00 par value, of Transferee, each share of which shall be convertible into 11 shares of non-voting common stock of Transferee (which conversion rate shall be subject to normal price anti-dilution provisions). Dividends on said convertible preferred stock shall be payable quarterly on a mandatory basis, but only out of earnings of the current year to date. In the event that year end earnings permit dividends in excess of the dividends previously paid for such year, such excess dividends

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may then be paid (up to the maximum dividend payable); in all other respects, the dividends on such preferred stock shall be non-cumulative. No dividend shall be paid nor provision therefor be made in any year with respect to any other class of stock prior to provision for payment in full of dividend on the Series A Preferred Stock. The relative rights, preferences, and limitations of the Series A Preferred Stock of the Transferee shall not be subject to alteration, amendment or change, nor shall any class of stock equal or superior in rights to the Series A Preferred Stock be created, except upon the written consent of the holders of 66-2/3% of such convertible preferred stock. The Series A Preferred Stock shall have a preference over all other classes of stock upon the dissolution of, or upon any distribution of substantially all the assets of, the Transferee equal to its par value, and (ii) be non-voting (except in those situations provided in the certificate of incorporation or under Delaware law under which such preferred stock shall have voting rights to vote as a class). Under no circumstances shall any shares of Series A Preferred Stock be redeemed prior to the payment in full of the subordinated accounts described in Section 9A below and the subordinated notes described in Paragraph 9(a).

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(e) It is understood that the subordinated convertible notes and Series A Preferred Stock described in subparagraphs (a) and (d) above, shall be distributed by Transferor to the limited partners of Transferor under the 1970 Agreement (other than persons whose capital is deemed to be treated as limited partners' capital by reason of their resigning as general partners during 1970) in proportion to the value as of November 30, 1970 of the securities and cash contributed by each of them or December 31, 1970 as to securities still held or the amount realized (without commissions) if any such securities were sold between those dates, and unpaid interest to December 31, 1970); and that the 5% convertible preferred stock described in subparagraph (c) above shall be distributed to former or present 1970 Partners of Transferor (other than those listed on Schedule E) whose capital accounts are not in deficit (calculated as of November 30, 1970) on a basis of one share for each $100 in such account.

9A. Assignment of Subordinated Accounts.

(a) As referred to herein, the "subordinated accounts" are the accounts of Albert Dworkin, Milton Lobel, Irving Lobel, Geza Polaty, Kinko Polaty,

Shirley P. Newburger and Betty N. Newborg. At the Closing, the subordinated accounts and the subordination agreements relating thereto will be assigned to the Transferee, the obligations of the Transferor under such subordination agreements will be delegated to and will be assumed by the Transferee, and the subordination agreements covering such accounts will be extended to December 31, 1972. The owners of the "subordinated accounts", listed above, expressly consent to such assignment, assumption and extension. The Transferor agrees that its existing obligations, if any, in relation to the present subordinated accounts will remain unchanged as of the date of this agreement notwithstanding the extension of the maturity dates of such accounts to December 31, 1972, and notwithstanding the assumption of the primary obligations to the owners of such accounts by the Transferee; provided, however, that the obligations, if any, of the Transferor to the owners of such subordinated accounts shall be reduced pro rata and dollar for dollar by the amounts paid to the Transferee on the notes referred to in paragraph 7(d). Where necessary, the subordination agreements will be amended to provide for an interest rate of 4%. Transferee will not sell the securities covered thereby unless, in management's opinion, Transferee is in danger of (i) insolvency, (ii) violation of the capital require-

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ments as determined according to the rules of the New York Stock Exchange, or (iii) unless the owner of the subordinated account has given permission for such a sale. Transferee expressly agrees that prior to the sale of any securities in the subordinated accounts, all securities in accounts of officers designed as capital accounts will have been sold;

(b) There shall be mandatory prepayments of the subordinated accounts upon the following terms: (i) each owner of a subordinated account will promptly receive a prepayment of cash and/or securities (securities being valued at their fair market value) in his subordinated account which is equal to his pro rata share, as among the subordinated lenders, of 25% of all tax refunds collected by the trustee under Section 7(d) of this agreement; (ii) Transferor and Transferee shall take all necessary steps to require W. E. Hutton & Co. to deliver all monies and securities owing or to be owed to Transferor by W. E. Hutton & Co. pursuant to a subordination agreement dated September 15, 1970 and each owner of a subordinated account will promptly receive a prepayment of the cash and/or securities (securities being valued on their fair market value) in his subordinated account which is equal to his pro rata share, as among the subordinated lenders, of 30% of all cash and/or securities received (securities being valued at their fair market value) from W. E. Hutton & Co. in excess of $200,000; (iii) Transferee covenants and agrees that, as promptly as possible after the execution of this Agreement in final form, it will cause Transferee to deliver to the holders of the subordinated accounts all dividends, interest and

distributions capital gains held by Transferor at that time and Transferee covenants that all such dividends, interest and distributions of capital shall, upon receipt in the future, be promptly delivered to the owners of the subordinated accounts.

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10. Transactions at the Closing.

(a) At the Closing, Transferor will deliver to the Transferee the following:

1. Assignments of all leases, agreements, memberships and all other rights to be transferred pursuant to section 1 with consents thereto of the other parties where necessary.

2. Bills of sale with covenants of warranty, endorsements and assignments and other good and sufficient instruments of transfer as shall be effective to vest in Transferee good and marketable title to the property to be conveyed hereunder.

3. Such documents as are necessary or otherwise required to transfer the memberships from the New York Stock Exchange and the American Stock Exchange.

4. A notarized certificate of the appropriate member of the Transferor dated the Closing Date to the effect that all representations and warranties of the Transferor hereunder are true and correct as of the Closing Date and that all agreements and obligations of the Transferor to be performed under this Agreement have been performed.

5. The opinion of Transferor's counsel as required under the provisions of section 6 above.

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(b) At the Closing, Transferee will deliver

the following:

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1. Its subordinated convertible notes in accordance with the provisions of section 9(a) above, and its Series A Preferred Stock in accordance with section 9(d).

2. Its non-voting common stock in accordance with the provisions of sections 9(b) and 11(g) hereof.

3. Its 5% convertible preferred stock in accordance with the provisions of section 9(c) above.

4. A written assumption of the liabilities of the Transferor to be assumed by the Transferee in accordance with the provisions of section 2 above.

5. A certificate signed by a president or a vice president and a secretary or assistant secretary of the Transferee dated the Closing Date to the effect that all representations and warranties of the Transferee hereunder are true and correct as of the Closing Date and all agreements and obligations of the Transferee to be performed under this Agreement have been performed.

6. The opinion of Transferee's counsel required under the provisions of section 7 above.

11. Additional Agreements.

(a) Transferee will pay all sales, transfer and documentary taxes payable in connection with the sale, conveyances, assignments, transfers and deliveries to be made from Transferor to Transferee hereunder;

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(b) From time to time hereafter at

Transferee's request, whether on or after the Closing Date, and without further consideration, Transferor, will execute and deliver such further instruments of conveyance, transfer and assignment as Transferee reasonably may request in order more effectively to convey, transfer and assign to Transferee any of the Property to be transferred hereunder, including the use of Transferor's best efforts to obtain such consent as may be necessary from others and will execute any other documents necessary or otherwise required in order to consummate the transactions contemplated by this Agreement:

(c) In the event that the aggregate net losses of Transferee from operations shall exceed $350,000 for any period of four consecutive calendar months or less ending prior to January 1, 1975 or exceed $600,000 in any fiscal year ending prior to January 1, 1975, the holders of a majority in dollar amount of subordinated convertible notes or of the subordinated accounts or of the senior subordinated account shall have the option, exercisable in writing within 30 days after the last day of such period, to require that the Transferee liquidate, in which case the officers, directors, and stockholders of Transferee shall take all necessary steps to effectuate such liquidation; provided, however, that such option

shall not be exercisable at any time when the net worth of Transferee is greater than $750,000.00.

(d) Within thirty (30) days after the Closing, each subordinated lender and each subordinated convertible noteholder shall receive from Transferee a balance sheet as at the Closing. Not later than the 25th day of each month prior to January 1, 1975, or until their indebtedness is paid, each subordinated lender and subordinated convertible noteholder shall receive from Transferee a balance sheet and a profit and loss statement for the preceding month and for the year to date;

(e) Robert Stern, Harold J. Richards and Andrew Newburger shall have no obligation to Transferee with respect to their capital deficits other than as embodied by the notes to be delivered to Transferee at the closing. Any present or former general partners not to be in a management position with Transferee whose capital deficit is less than $25,000 shall not have any obligation to Transferee with respect to said capital deficit;

(f) Provided all of the conditions of this Agreement have been met, Mr. Alex Aixala agrees to deposit prior to the Closing 8,000 shares of Bacardi Corp. common stock in a senior subordinated account with the Transferee under a subordinated loan agreement, reasonably satisfactory to Finley, Kumble, Underberg, Persky & Roth, counsel to the Transferee, expiring no earlier than December 31, 1973;

(g) On the Closing Date, the Transferee shall sell to the persons listed on Schedule F, the number of shares of common stock of the Transferee listed next to their names on such Schedule at a price of $.05 per share. Messrs. Robert Muh and Paul Risher agree to purchase on the Closing Date the number of shares set forth opposite their names on such Schedule; Alex Aixala agrees to purchase on the Closing Date the number of shares set forth opposite his name at the par value thereof; and they agree to use their best efforts to obtain prior approval of the New York Stock Exchange for the purchase of such shares.

(h) Transferee agrees that no cash dividend will be declared or paid on any common stock of Transferee until the subordinated accounts referred to in Section 9A, ~~and~~ and the convertible subordinated notes referred to in Section 9(a) hereof have been paid in full, and until the Series A preferred has been redeemed in full.

(i) In the event that there is a public offering of Transferee's common stock of any class, the non-voting common stock provided for hereunder shall be converted to the same class of common stock as being offered to the public.

(j) Transferee agrees that, any time it intends to register any of its securities under the Securities Act of 1933, as amended, for any one of Messrs. Muh, Risher or Kayne (the "Management Group"), Transferee will notify the persons receiving non-voting common

stock or convertible subordinated notes (the "Stockholders") of its intention so to do and upon written request from any Stockholder, given within fourteen (14) days after the receipt of such a notice, use its best efforts to cause shares of such Stockholder acquired under this Agreement, to be registered (if registration is required at such time) at Transferee's expense (other than transfer taxes, and underwriting commissions, spreads and fee) under said Securities Act, with respect to the first such registration, and at the Stockholder's expense with respect to additional registrations, if such registration is necessary in the opinion of counsel to Transferee in order for Stockholders to sell their shares without violating the Securities Act of 1933, as amended. Stockholders, collectively, shall not be entitled to register a greater percentage of the shares owned by them in the aggregate, than the percentage of shares owned by Management Group registered by such group.

12. Indemnity. Transferor hereby indemnifies and saves Transferee harmless from and against any and all losses, damages, claims, actions, judgments, proceedings, or causes of action whatsoever and all expenses, including attorneys' fees, arising out of or relating to any liability of Transferor not expressly assumed hereunder by Transferee and any breach of any warranty, representation or agreement of the Transferor herein contained, provided, however, that Transferor shall be entitled to a credit against said indemnity to the extent of 33-1/3% of the recoveries with respect to "back office" recoveries and claims referred to in section 6(o), net of unrecouped Set-offs, in excess of $600,000.

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12A. Waiver. The parties hereto agree that no closing hereunder shall occur if either party waives the performance of a condition precedent described in Sections 6 or 7 of the Agreement and such waiver is not approved by a majority in dollar amount of the owners of the subordinated accounts listed in Section 9A herein and of the owners of the subordinated convertible notes provided for in Section 9(a) herein.

13. Miscellaneous Matters.

(a) This Agreement contains the entire understanding between the parties and may not be modified, altered or amended except by a writing signed by both the parties;

(b) The representation, warranties and agreements of the parties hereto shall survive the Closing under this Agreement;

(c) All notices or other communications required or issued hereunder shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, certification and postage charges prepaid as follows:

To the Transferor: 5 Hanover Square
New York, N.Y. 10004

To the Transferee: c/o Finley, Kumble, Underberg, Persky & Roth
477 Madison Avenue
New York, N.Y. 10022

(d) To the extent that the terms and provisions of any note or security of the Transferee issued under and pursuant to this Agreement differ or are inconsistent with the terms and provisions contained in this Agreement, the terms and provisions of such note or security shall govern.

(e) This Agreement and the construction thereof shall be governed by the laws of the State of New York.

(f) This Agreement may be executed in counterparts, all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the 31st day of December, 1970.

NEWBURGER, LOEB & CO., INC. (Transferee)

By Paul D. Richter

NEWBURGER, LOEB & CO. (Transferor)

By Andrew M. Newburger

(Andrew M. Newburger)

By _____
(Robert L. Newburger)

By _____
(Leo Stern)

By _____
(Robert L. Stern)

By Richard D. Stern
(Richard D. Stern)

By _____
(Edward R. Holt)

By _____
(William McGovern)

By _____
(Harold J. Richards)

By _____
(Sanford Roggenburg)

By _____
(Edward Rubin)

By _____
(Julius Schnall)

By _____
(Robert L. Newburger)

By Leo Stern ✓
(Leo Stern)

By _____
(Robert L. Stern)

By _____
(Richard D. Stern)

By _____
(Edward R. Holt)

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(William McGovern)

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(Harold J. Richards)

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(Sanford Roggenburg)

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(Edward Rubin)

By _____
(Julius Schnall)

By Robert L. Newburger
(Robert L. Newburger)

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By Edward R Holt
(Edward R. Holt)

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(William McGovern)

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(Harold J. Richards)

By _____
(Sanford Rogoenburg)

By Edmund M Rubin
(Edward Rubin)

By _____
(Julius Schnall)

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(Robert L. Newburger)

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(Leo Stern)

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(Robert L. Stern)

By _____
(Richard D. Stern)

By _____
(Edward R. Holt)

By (William P. McGovern)
(William McGovern)

By _____
(Harold J. Richards)

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(Edward Rubin)

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(Julius Schnall)

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(Robert L. Newburger)

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By R. L. S.
(Robert L. Stern)

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(Richard D. Stern)

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(Edward R. Holt)

By _____
(William McGovern)

By _____
(Harold J. Richards)

By Sanford Roggenburg
(Sanford Roggenburg)

By _____
(Edward Rubin)

By _____
(Julius Schnall)

Each of the undersigned limited partners of NEWBURGER, LOEB & CO. hereby consents to and accepts the provisions of the foregoing Agreement:

LIMITED PARTNERS:

ELLA L. NEWBURGER, ANDREW M. NEWBURGER, ROBERT L. NEWBURGER, and DONALD L. NEWBORG, as Executors of and Trustees under the Last Will and Testament of Lester M. Newburger, Deceased

_____

MAY U. NEWBURGER, and GEORGE B. LEVY, as Executors of and Trustees under the Last Will and Testament of Morris Newburger, Deceased (a limited partner as of November 30, 1970)

_____

GERALD N. FRANK

_____

WILLARD S. IRLE

_____

~~JEANNE S. DONOGHUE~~

_____

~~MABEL BLEICH~~

_____

JACK WACHS

_____

SAUL A. BROWN

_____

JOSEPH W. QUARTE

_____

PHILIP SHULMAN

_____

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Each of the undersigned limited partners of NEWBURGER, LOEB & CO. hereby consents to and accepts the provisions of the foregoing Agreement:

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MAY U. NEWBURGER, and GEORGE B. LEVY, as Executors of and Trustees under the Last Will and Testament of Morris Newburger, Deceased (a limited partner as of November 30, 1970)

GERALD N. FRANK

WILLARD S. IRLE

~~JEANNE G. DONOGHUE~~

~~MABEL BLEICH~~

JACK WACHS

SAUL A. BROWN

JOSEPH W. QUARTE

PHILIP SHULMAN

Each of the undersigned limited partners of NEWBURGER, LOEB & CO. hereby consents to and accepts the provisions of the foregoing Agreement: E 81

LIMITED PARTNERS:

ELLA L. NEWBURGER, ANDREW M. NEWBURGER, ROBERT L. NEWBURGER, and DONALD L. NEWBORG, as Executors of and Trustees under the Last Will and Testament of Lester M. Newburger, Deceased _____

MAY U. NEWBURGER, and GEORGE B. LEVY, as Executors of and Trustees under the Last Will and Testament of Morris Newburger, Deceased (a limited partner as of November 30, 1970) _____

GERALD N. FRANK Gerald N. Frank

WILLARD S. IRLE _____

~~JEANNE G. DONOGHUE~~ _____

~~MABEL BLEICH~~ _____

JACK WACHS _____

SAUL A. BROWN _____

JOSEPH W. QUARTE _____

PHILIP SHULMAN _____

E 82

Each of the undersigned limited partners of NEWBURGER, LOEB & CO. hereby consents to and accepts the provisions of the foregoing Agreement:

LIMITED PARTNERS:

ELLA L. NEWBURGER, ANDREW M. NEWBURGER, ROBERT L. NEWBURGER, and DONALD L. NEWBORG, as Executors of and Trustees under the Last Will and Testament of Lester M. Newburger, Deceased _____

MAY U. NEWBURGER, and GEORGE B. LEVY, as Executors of and Trustees under the Last Will and Testament of Morris Newburger, Deceased (a limited partner as of November 30, 1970) _____

GERALD N. FRANK _____

WILLARD S. IRLE _____

~~JEANNE G. DONOGHUE~~ _____

~~MABEL BLEICH~~ _____

JACK WACHS _____

SAUL A. BROWN _____

JOSEPH W. QUARTE _____

PHILIP SHULMAN _____

A7

Each of the undersigned owners of subordinated accounts in Newburger, Loeb & Co. consents to and accepts the provisions of the foregoing Agreement to the extent that those provisions are applicable to him; provided, however, that, except as expressly set forth in the proviso of the fourth sentence of Section 9A, the undersigned do not waive, release or discharge any claim or cause of action or right to sue Newburger, Loeb & Co., or any of its partners, general or limited, past or present, or its employees, past or present, or W. E. Hutton & Co., for any reason whatsoever, except that the undersigned will forbear to enforce any such claim, cause of action or right to sue so long as there is no default by the Transferee of any obligation to the undersigned or any material default by any other party under the terms of the foregoing Agreement and the subordination agreements as extended.

ALBERT DWORKIN Albert M Dworkin

MILTON LOBEL Milton Lobel By Albert M Dworkin atty

IRVING LOBEL Irving Lobel By Albert M Dworkin atty

GEZA POLATY Geza Polaty by Ned D Frank, atty

KINKO POLATY Kinko Polaty, By Ned D Frank, atty

SHIRLEY P. NEWBURGER _____

PETTY N. NEWBORG _____

Each of the undersigned owners of subordinated accounts in Newburger, Loeb & Co. consents to and accepts the provisions of the foregoing Agreement to the extent that those provisions are applicable to him; provided, however, that, except as expressly set forth in the proviso of the fourth sentence of Section 9A, the undersigned do not waive, release or discharge any claim or cause of action or right to sue Newburger, Loeb & Co., or any of its partners, general or limited, past or present, or its employees, past or present, or W. E. Hutton & Co., for any reason whatsoever, except that the undersigned will forbear to enforce any such claim, cause of action or right to sue so long as there is no default by the Transferee of any obligation to the undersigned or any material default by any other party under the terms of the foregoing Agreement and the subordination agreements as extended.

E 84

ALBERT DWORKIN _____

MILTON LOBEL _____

IRVING LOBEL _____

GEZA POLATY _____

KINKO POLATY _____

SHIRLEY P. NEWBURGER _____

BETTY N. NEWBORG Betty N Newborg

Each of the undersigned owners of subordinated accounts in Newburger, Loeb & Co. consents to and accepts the E 85 provisions of the foregoing Agreement to the extent that those provisions are applicable to him; provided, however, that, except as expressly set forth in the proviso of the fourth sentence of Section 9A, the undersigned do not waive, release or discharge any claim or cause of action or right to sue Newburger, Loeb & Co., or any of its partners, general or limited, past or present, or its employees, past or present, or W. E. Hutton & Co., for any reason whatsoever, except that the undersigned will forbear to enforce any such claim, cause of action or right to sue so long as there is no default by the Transferee of any obligation to the undersigned or any material default by any other party under the terms of the foregoing Agreement and the subordination agreements as extended.

ALBERT DWORKIN _____

MILTON LOBEL _____

IRVING LOBEL _____

GEZA POLATY _____

KINKO POLATY _____

SHIRLEY P. NEWBURGER Shirley P. Newburger ✓

BETTY N. NEWBORG _____

The undersigned consent to and accept the foregoing Agreement:

E 86

ALEX AIKALA	Alex Aikala by Robert A Rusky Attorney in fact
NED FRANK	Ned Frank
FRED KAYNE	Fred Kayne
ROBERT MUH	Robert Muh
PAUL RISHER	Paul D Risher
ADOLPHUS ROGGENBURG	
JOHN F. SETTEL	John F Settel
CHARLES SLOANE	Charles Sloane
~~CHARLES GROSS~~	

The undersigned consent to and accept the foregoing Agreement:

E 87

ALEX AIDALA _____

NED FRANK _____

FRED KAYNE _____

ROBERT MUH _____

PAUL RISHER _____

ADOLPHUS ROGGENBURG Major Roggenburg city file Adolphus Roggenburg

JOHN F. SETTEL _____

CHARLES SLOANE _____

~~CHARLES CROSS~~ _____

BALANCE SHEET
DECEMBER 31, 1970

UNAUDITED

E 88

ASSETS

CURRENT ASSETS		
Cash in Bank & on Hand		$ 142,251
Receivable from brokers & dealers		255,956
Receivable from W. E. Hutton & Co.		
- Commissions	$ 145,249	
- Floor Brokerage	20,283	
- Firm Trading	306,068	
- Omnibus	62,454	534.054
Receivables from customers unsecured (net of reserves)		217,644
Market value of securities in partners, firm and subordinated accounts		1,073,940
Prepaid expenses	52,047	
- Prepaid Conversion Cost	10,628	62,675
- Prepaid Taxes		
Other Current Assets	28,300	
- Good Faith Deposits	7,976	36,276
- Receivable from Rosen & Co.		
Total Current Assets		2,322,796
OTHER ASSETS		
Memberships in New York & American Stock Exchanges		300,000
net of reserves		581,665
Furniture & Fixtures, net of depreciation		
Investment and Advances to Subsidiary Corporations	38,500	
- N/L Holding Co.	- -	38,500
- N/L Sports Enterprises, Inc. (fully reserved)		172,399
Subordinated Loan Receivable from W. E Hutton - cash		206,617
Subordinated Loan Receivable from W. E. Hutton- securities		
MISCELLANEOUS		
Dividends Receivable (net of reserves $34,363)		2,783
Rent Deposit		5,970
James Anthony Liquidation ($11,148 fully reserved)		- -
Receivable from Partners		66,210
Other		2,570
TOTAL ASSETS		$3,699,510

NEWBURGER, LOEB & CO.
BALANCE SHEET
DECEMBER 31, 1970

UNAUDITED.

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
Payable to Brokers and Dealers		$ 16,133
Atlas Realty Liability		197,949
Payable to Customers		41,090
Accounts Payable and Accrued Expenses		
- Commissions to Salesmen	$154,830	
- Interest on Capital	45,000	
- Dividends	58,914	
- Miscellaneous Accruals and Expenses	160,033	418,777
RESERVE FOR LOSS IN NEW-LOEB SPORTS		47,876
CAPITAL		2,977,685
TOTAL LIABILITIES AND CAPITAL		$3,699,510

A. SPECIFIC LEASE RELATED LIABILITIES

1. 66 Beaver
$20,000 - $25,000 to Landlord for back escalation for wages and taxes.

2. 9020 Flatbush Avenue
$700 water bill.

E 90

3. 525 Seventh Avenue
$1,500 - January rent payment due.*

4. 57 West 57th Street, Room 2000
$7,000 November-January.

5. 4 East 28th Street (Hotel Latham)
Vol. escalation $5,000.
Rent: December-January $3,000.

6. 40 Exchange Place
$3,000 per month, starting January 1.
(Paid until December 31, 1970.)

7. One New York Plaza
Lease settlement, $13,705 per month until June 1972.

8. Franklin Street Warehouse
Waldorf Carting, $1,100.

9. Beverly Hills Rent Claim. **

B. SPECIFIC EQUIPMENT OBLIGATIONS

1. Six Savin Business Machines: $1,000 back lease owing.

2. Bunker Ramo: $6,000 from closed offices
(Three months - November-January).

C. SPECIFIC PROFESSIONAL AND OTHER SERVICES (Contested or Overdue)

1.	Lipkowitz & Plaut	$ 2,000
2.	Managers' Salaries	25,000

D. TAXES

1. State and Local Taxes of Transferor as a separate entity from January 1, 1970 to Closing Date, if any.

2. Real estate, water and similar taxes and assessments with respect to premises at 2091 Broadway.

E. MISCELLANEOUS

1. Claims, if any, of Ned Frank and/or Sanford Roggenburg for payments in connection with Transferor's profit-sharing plan.

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* See Schedule "C", Item 15.
** See Schedule "C", Item 12

F. CONTINGENT LIABILITIES

1. The Corporation will assume liability, if any, for all items set forth in Schedule "C". In addition, the Corporation will pay for all costs and expenses in connection with the defense of all such items.

2. Indemnity Agreement on Seaboard Surety Company, Bond No. 74426, for 1,200 shares of Warner Lambert Common Stock, amount open (approximately $84,000).

G. 1. All liabilities, obligations and claims of whatsoever kind and nature with respect to or arising out of or in connection with any of the leases, contracts, agreements and other commitments set forth in Schedule "B" hereto.

2. All liabilities, obligations and claims of whatsoever kind and nature with respect to or arising out of or in connection with the amendment, modification, assignment, extension, settlement or cancellation on or subsequent to August 1, 1970, of any leases, contracts, agreements and other commitments of the Transferor, whether or not any of such leases, contracts, agreements and other commitments are set forth in Schedule "B" hereto.

3. All liabilities, obligations and claims of whatsoever kind and nature with respect to or arising out of or in connection with any and all professional and other services rendered for and on behalf of the Transferor at any time and from time to time between August 1, 1970 and the Closing (as such term is defined in the Agreement).

4. All liabilities, obligations and claims of whatsoever kind and nature with respect to or arising out of or in connection with the Buffalo Braves Basketball Team, including the claims of Peter Crotty and Norman Blass.

5. All liabilities, obligations and claims of whatsoever kind and nature which are directly reflected in the books and records of the Transferor maintained by the accounting department of Transferor (whether or not all or any portion of the amount thereof is so reflected or referred to).

6. All liabilities, obligations and claims of whatsoever kind and nature relating to the business of Transferor (a) of which any one of Paul Risher, Robert Muh, Fred Kayne or Lawrence Berkowitz have actual knowledge on February 11, 1971, or (b) which written notice was received by the Transferor after August 1, 1970.

7. All liabilities, obligations and claims, if any, of George F. Conniff, Jacob Schafer, Robert F. Therese, John F. Thistleton and Joseph L. Searles, III, with respect to the balances in their respective capital accounts as of December 31, 1970 and as of the Closing Date.

8. If the taxable income realized by the Transferor with respect to the period commencing on January 1, 1971 and ending on the close of business on February 10, 1971 shall, in the reasonable opinion of the certified public accountants for any member (general or limited partner) of the

Transferor, produce for such member any Federal, State or local taxes in any year (including, for all purposes hereof, by reason of any reduction in the amount of any tax loss carry-back or carry forward to which such member would otherwise be entitled), which but for such taxable income would not be produced in such year, the Transferee agrees to pay to such member of the Transferor an amount equal to all of such additional taxes so produced within 3-1/2 months from the end of the year in which such tax shall be due.

The enumeration of specific items on this Schedule A-2 shall not, to any extent, limit the provisions of paragraph 1 through 8 above.

The headings and captions in this Schedule are merely for identification purposes and in no way limit in any way the provisions thereof.

LEASES & OTHER CONTRACTS

A. Location

66 Beaver
(5 Hanover Sq.)
8th & 9th Floors
10th Fl.
12th Fl.
14th Fl.
24th Fl.
40 Exchange Place
6th Fl.
4 East 28th Street
525 Seventh Avenue***
57 W. 57th Street
2091 Broadway
250 Park Avenue

*Century City (1900 Ave. of the Stars)

**Beverly Hills (110 N. Doheny Dr.)

55 Hudson Street (Franklin Moving & Storage Company)
*52 Broadway 7th Fl.
*115 Broadway 18th Fl.
*76 Beaver Street 6th Fl.
*931 Madison

B. Quotation and Information Services and Equipment

Bunker Ramo
Trans Lux
Dow Jones
Ultronics Systems
NASDAQ LEVEL I

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*Denotes all or a portion of the space is currently being sublet.
**Arbitration with Lewis Bracker-see Schedule "C", Item 12.
***See Item 15, Schedule "C".

C. Insurance Contracts

Brokers Blanket Bond, etc.
Automobile Non-Ownership
Office Building Contract
Office Package Policy
Umbrella Liability
Long Term Disability Policy
New York State Disability
Group Life Contract
Steam Boiler
Workmen's Compensation
Blue Cross and Blue Shield

D. Savin Business Machines

E. Picture Rental - California Office

F. Subscriptions - various financial and legal services

G. Wall Street Bookkeeping
Internal Control Specialists
Larry Firrincieli

H. Retail Credit Bureau of Greater New York; Exchange Firms Information Service

I. Building Maintenance, cleaning contracts and air conditioning (Master Cooling)

J. Clearing Agreement W. E. Hutton

K. Agreements concerning Circuit Technology with said corporation, Chartered New England, Golenbock and Barell, Irving Friedman and Jim Herbert

L. Lawrence Berkowitz - Employment Contract

M. Minco Co. (Pneumatic Tubes)

N. Three Automobile Leases

O. Markit Communications, Inc. (Private Placement - Best Efforts)

P. Estabrook - Printing

Q. Norman Blass - $30,000 remaining - finder's fee - Buffalo Braves

R. Profit-Sharing Plan

S. Letter agreements with First National City Bank with respect to loans to certain partners

T. Any and all underwriting contracts

LITIGATION

Litigation Where Transferee Or Any Of Its Partners Is Defendant Or Where A Counterclaim Is Instituted Against Any Of Them	Attorney Rep.	Claim
1. Belmont Franchising Matter (several cases)	Golenbock and Barell	$ 19,000
2. Lincoln Securities	" "	15,400
3. Murad, Onig & Ogene - NYSE	Finley, Kumble	15,000
4. Jellow Investment Co. & Arthur & Yetta Shapiro	O. K. Fraenkel	114,325 (100,000 ppnitive 14,325 comp.)
5. Pershing & Co. (Westec Loss)	O. K. Fraenkel	17,600
6. American Nat'l Bank & Trust Co. of Chicago	O. K. Fraenkel	85,000 (25,000 punitive 60,000 comp.)
7. Maryland National Bank v. Blum & N/L Jacobs v. Blum & N/L		82,418.75
8. Marie Louise Jam	O. K. Fraenkel	30,000 est.
9. Jacobi, American Assn. of Sec. Reps. v. N/L et al	Finley, Kumble	(Amount not specified in complaint)
10. George Polk	Finley, Kumble	137,000
11. DiJulio, et al v. Digicon Inc., et al	Dewey, Ballantine	66,000
12. Lewis Bracker (rent claim 1 mo. Beverly Hills)	Finley, Kumble	3,500
13. Hershberg	O. K. Fraenkel	2,000
14. Simonoff, Pyser & Citren	Finley, Kumble	22,500
15. Fashion Center Building Corp. v. N/L and Andrew Newburger (rent claim 2 mos. 525 7th Ave.)	Finley, Kumble	1,500
16. Peter Crotty		100,000

Potential Litigation in which Newburger, Loeb and/or any of its Partners and/or the Transferee may be defendant		Claim (est.)*
1.	Seymour Kott	$31,000
2.	Jenny Grunbacher (alias "Marie Alvarez")	$ 5,000
3.	Charles Gross, Mabel Bleich, Jeanne Donoghue and Lewis Bracker	Amounts related to capital account and/or rights and obligations under the Restated Articles of Limited Partnership of the Transferor, dated 2/26/70 and/or threatened claims arising from in connection with this Agreement and/or damages arising from "non-Competition" clause in the aforementioned Partnership Agreement.
4.	Sheldon Silver	$30,000
5.	First National City Bank (EduWorld)	$240,000
6.	Joseph Tart, Marjorie Keller & Robert Mullarkey	Libel claim
7.	Abraham & Co.	$11,000 (approx.)
8.	Complaints and claims, not otherwise referred to herein, received prior to closing from customers, brokers, dealers and banks in connection with the carrying on of its business, none of which exceeds $10,000. The Transferee assumes such claims in the maximum aggregate amount of $100,000.	

* Estimate for identification of claim only, rather than limitation of liability.

Convertible Subordinated Note Holders	Face Amount of Notes
Estate of Morris Newburger	$ 425,157
Estate of Lester Newburger	153,737
Willard Irle	62,073
Joseph Quarte	233.565
Gerald Frank	228,553
Jack Wachs	36,989
Saul Brown	36,989
Phillip Shulman	138,431

SCHEDULE E

E 99

LEWIS BRACKER

FRED KAYNE

SANFORD ROGGENBURG

EDWARD RUBIN

JACOB SHAFER

ROBERT F. THERESE

CHARLES GROSS

SCHEDULE F

E 100

	Number of Shares
PAUL RISHER	200,000
ROBERT MUH	200,000
FRED KAYNE	200,000
WILLIAM McGOVERN	4,000
RICHARD STERN	30,000
LAWRENCE BERKOWITZ	35,000
CHARLES SLOANE	50,000
ROBERT L. NEWBURGER	55,000

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FOR USE IN NEW YORK STATE

PLAINTIFF'S EXHIBIT 25.

E 101

DEFTS' EXH. ID / EVD R.C.

DATE: 6/3/71

AMERICAN ARBITRATION ASSOCIATION, Administrator

Commercial Arbitration Rules

DEMAND FOR ARBITRATION

DATE: June 10, 1970

TO: (Name) DAVID BUCKLEY and MARY BUCKLEY
(of party upon whom the Demand is made)

(Address) 82 West River Road

(City and State) Rumson, New Jersey

PLEASE TAKE NOTICE, under Section 7503, Subdivision (c), of the Civil Practice Law and Rules of the State of New York, that the undersigned, pursuant to the provisions of ~~xx~~contracts dated: 4/4/62; 10/2/63; 3/10/64; 3/18/64; 9/8/65; 10/12/65 which agreements provides as follows: (Quote Arbitration Clause)

(See Annexed)

hereby demands arbitration thereunder.

NATURE OF DISPUTE:

Customers have failed to pay debit balances in their individual and joint accounts despite due demand therefor. Respondent Mary Buckley is also the guarantor of the account of David Buckley.

CLAIM OR RELIEF SOUGHT: (amount, if any)

$332,345, plus interest from May 5, 1970, plus costs of proceedings, plus attorneys fees.

PLEASE TAKE FURTHER NOTICE, that unless within ten days after service of this Notice of Intention to Arbitrate, you apply to stay the arbitration herein, you shall thereafter be precluded from objecting that a valid agreement was not made or has not been complied with and from asserting in court the bar of a limitation of time.

HEARING LOCALE REQUESTED: (City and State) New York, New York

You are hereby notified that copies of our Arbitration Agreement and of this Demand are being filed with the American Arbitration Association at its New York City Regional Office, with the request that it commence the administration of the arbitration.

GOLENBOCK AND BARELL

Signed By Arthur C. Heineman
(May be Signed by Attorney)

(Name and address of the party serving the notice, or of an officer or agent thereof if such party is an association or corporation)

Attorneys for Newburger, Loeb & Company

60 East 42nd Street

New York, New York 10017

Two copies of this Demand and the Arbitration Agreement must be filed, and the administrative fee paid, as provided in Section 47 of the Rules, in order to institute proceedings.

FORM CNY 2-6M-8-68

357

PLAINTIFF'S EXHIBIT 25.

E 102

(1) Any controversy which may arise between us, either in respect to this guaranty or with respect to any of the transactions in any of the guaranteed accounts, shall be determined by arbitration pursuant to the Law of the State of New York. Said arbitration shall be before three arbitrators, to be selected by the American Arbitration Association, and shall be held in accordance with its rules.

(2) Any controversy arising between us shall be determined by arbitration pursuant to the Law of the State of New York and in accordance with the rules, then obtaining, of the American Arbitration Association. Any arbitration hereunder shall be before at least three arbitrators to be chosen by said American Arbitration Association and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisidction.

Defts' Exh. 12 for Id.
R C 6/3/71

E 103

PLAINTIFF'S EXHIBIT 26.

July 13, 1970

American Arbitration Association
140 West 51st Street
New York, New York 10020

Re: Newburger, Loeb v. David Buckley
and Mary Buckley

Gentlemen:

Please find enclosed herewith original and copy for demand for arbitration, with proof of service thereof by certified mail, return receipt requested.

Also enclosed are two sets of the various agreements containing arbitration clauses, as specified in the demand.

Also enclosed is our client's check in the sum of $2,247.00 in payment of the administrative fee.

Please commence proceedings. However, I would appreciate your waiting until at least August 15, to send out the first list of arbitrations.

Thank you.

Very truly yours,

Arthur C. Silverman

ACS:mn

Enclosures

PLAINTIFF'S EXHIBIT 26.

E 104

August 21, 1970

Richard Miles, Esq.
Newburger, Loeb & Co.
5 Hanover Square
New York, New York

Re: Newburger, Loeb v. Buckley

Dear Richard:

Enclosed herewith is the Answer, Set-off and Counterclaim of the Buckleys. You will note that the first counterclaim, in the amount of $75,000, is for churning. The second counterclaim, in the sum of $458,850, is for general losses sustained in holding Westec stock on the alleged "investment advice" of Jordan.

In order to prepare for the arbitration, it will be necessary for a detailed working session to be held with Jordan. I think that you should arrange this for sometime in mid-September.

Also enclosed herewith, and to be returned no later than August 31, 1970 to the Arbitration Association, is a list of proposed arbitrators. In view of the importance of the Buckley claim, it is important that the various partners at Newburger, Loeb review the enclosed list and recommend to me through you whom they would prefer to have or not have as arbitrators. Please see to it that I receive your recommendations no later than August 28.

Sincerely,

ACS:mn
Enclosures

Arthur C. Silverman

PLAINTIFF'S EXHIBIT 26.

E 105

August 31, 1970

American Arbitration Association
140 West 51st Street
New York, New York 10020

Attention: Susann Malin
Commercial Tribunal Supervisor

Re: 1310-0725-70
Newburger, Loeb & Co. and
David Buckley & Mary Buckley

Gentlemen:

We acknowledge receipt of the letter from respondents attorneys rejecting all arbitrators other than Mr. Broderick. Please be advised that, unfortunately, Mr. Broderick is unacceptable to the claimant.

Very truly yours,

ACS:mn

Arthur C. Silverman

cc: Webster, Sheffield, Fleischmann,
Hitchcock & Brookfield
1 Rockefeller Plaza
New York, N. Y. 10020

PLAINTIFF'S EXHIBIT 26.

E 106

September 16, 1970

Miss Susann Malin
Commercial Tribunal Administrator
American Arbitration Association
140 West 51st Street
New York, New York 10020

Re: Newburger, Loeb v. Buckley
(1310-0725-70)

Dear Miss Malin:

We have received Mr. Cook's letter to you dated September 9, 1970.

All names on the second list of arbitrators are acceptable to us with the exception of Jesse Climenko, Esq. who, while an eminent and qualified attorney, represents certain objectants in a Surrogate's Court proceeding in which certain of our clients are also parties.

We take exception to Mr. Cook's letter insofar as it seeks to bar appointment of an arbitrator who may have had dealings with or represented brokerage houses or investment banking concerns. Similar objections have been rejected by the courts. Thus, for example, judges who were formerly prosecutors for many years are not barred from presiding over criminal trials.

Moreover, a major purpose of arbitration -- to utilize arbitrators who have familiarity with the subject matter of the litigation -- will not be served if persons unfamiliar with securities transactions are chosen as arbitrators.

PLAINTIFF'S EXHIBIT 26.

E 107

Accordingly, we respectfully request that the Association exercise its powers under Section 12 of the Rules to appoint two additional arbitrators from a panel of arbitrators having substantial familiarity with the securities industry.

Very truly yours,

ACS:mn

Arthur C. Silverman

cc: Leland G. Cook, Esq.
Webster, Sheffield, Fleishmann,
Hitchcock & Brookfield
One Rockefeller Plaza
New York, New York

WEBSTER SHEFFIELD FLEISCHMANN HITCHCOCK & BROOKFIELD
1 ROCKEFELLER PLAZA · NEW YORK, N.Y. 10020
(212) 582-3370
CABLE "WEBSHEF"

E 108

PLAINTIFF'S EXHIBIT 27.

Defts' Exh. 10 for Id.
R.C. 6/3/71

SAMUEL L. BROOKFIELD
DONALD J. COHN
HENRY B. CORTESI
JAMES F. DOWNEY
MANLY FLEISCHMANN
PETER S. HELLER
ETHAN A. HITCHCOCK
WILLIAM H. HOGELAND, JR.
MAXIMILIAN W. KEMPNER
THEODORE S. LYNN
JAMES V. RYAN
FREDERICK SHEFFIELD
HENRY CASSORTE SMITH
JOHN D. SMYERS
I. N. P. STOKES
FREDERICK R. VAN VECHTEN
BETHUEL M. WEBSTER

FRANCIS H. HORAN
COUNSEL

August 13, 1970

Arthur C. Silverman, Esq.
Golenbock and Barell
60 East 42nd Street
New York, New York 10017

Re: Newburger, Loeb & Company and
David and Mary Buckley Arbitration

Dear Mr. Silverman:

Enclosed is our answer, set-off and counterclaim to the demand for arbitration brought by you on behalf of Newburger, Loeb & Company. We have sent a copy of said answer to the American Arbitration Association.

Very truly yours,

Leland G. Cook

Leland G. Cook

Enclosure

PLAINTIFF'S EXHIBIT 27.

E 109

WEBSTER SHEFFIELD FLEISCHMANN HITCHCOCK & BROOKFIELD

1 ROCKEFELLER PLAZA · NEW YORK, N.Y. 10020

(212) 582-3370

CABLE "WEBSHEF"

SAMUEL L. BROOKFIELD
DONALD J. COHN
HENRY B. CORTESI
JAMES F. DOWNEY
MANLY FLEISCHMANN
PETER S. HELLER
ETHAN A. HITCHCOCK
WILLIAM H. HOGELAND, JR.
MAXIMILIAN W. KEMPNER
THEODORE S. LYNN
EDWARD L. REA
JAMES V. RYAN
FREDERICK SHEFFIELD
HENRY CASSORTE SMITH
JOHN D. SMYERS
I. N. P. STOKES
FREDERICK R. VAN VECHTEN
BETHUEL M. WEBSTER

FRANCIS H. HORAN
COUNSEL

July 23, 1970

Seymour Kleinman, Esq.
Golenbock and Barell
60 East 42nd Street
New York, New York 10017

Re: David and Mary Buckley
Arbitration

Dear Mr. Kleinman:

Pursuant to your telephone conversation yesterday with Mr. Harvey Myerson of our office, this letter will serve to confirm the stipulation to which you agreed to extend the time for us to apply to stay the arbitration proceedings concerning David and Mary Buckley to July 31, 1970.

Very truly yours,

Leland G. Cook

Leland G. Cook

RECEIVED
JUL 23 1970
GOLENBOCK & BARELL

PLAINTIFF'S EXHIBIT 28.

Buckley Answer in Arbitration.

E 110

PLAINTIFF'S EXHIBIT 28

DEFT'S EXH ID

DATE: 6/3/71

In the Matter of the Arbitration of Controversy between	
NEWBURGER, LOEB & COMPANY, Petitioner,	ANSWER, SET-OFF AND COUNTERCLAIM
and	
DAVID BUCKLEY and MARY BUCKLEY, Respondents.	

Respondents, by their attorneys, Webster Sheffield Fleischmann Hitchcock & Brookfield, for their answer to Petitioner's allegations in its Demand for Arbitration:

ANSWER

1. Deny each and every allegation in Petitioner's Demand.

SET-OFF

2. As and for a set-off to Petitioner's allegations:

(a) In August of 1966 the Securities & Exchange Commission closed down trading in Westec stock, and not until May 5, 1969 was resumption of trading allowed. On that day, the opening price of Westec was 11 3/4, and 98,300 shares were traded. On the following day 184,100 shares of Westec were traded.

(b) Upon the resumption of trading in Westec, Respondents' holdings in Westec stock, which amounted to 11,300 shares, accounted for the entire value of the securities held in the margin account which respondents maintained with Petitioner. On June 19, 1969 Respondents delivered an additional 2,500 shares of Westec to Petitioner.

(c) The Westec stock was held in street name by Petitioner, and pursuant to the American Stock Exchange regulations governing margin accounts, acted as collateral for loans which Petitioner had made to Respondents for Respondents' stock purchases. Petitioner had the legal right and duty to sell that stock pursuant to the aforesaid regulations, and apply the proceeds to the amounts owed to it by Respondents, if Respondents' account became under margined.

(d) Upon trading being suspended in Westec, Respondents' substantial holdings in that stock became worthless insofar as the margin account which Respondents maintained with Petitioner was concerned. As a result, Respondents' account became under margined.

(e) Contrary to the duties and rights enumerated above, Petitioner, in its sole discretion, failed to sell Respondents' 11,300 shares of Westec stock upon its resumption of trading. Petitioner to date has still not sold Respondents' Westec holdings, which by reason of Respondents delivery of another 2,500 shares of Westec on June 19, 1969 now amount to 13,800 shares.

(f) The volume traded in Westec on the first two days trading was resumed, as referred to in subparagraph (a) herein, indicates that Petitioner would have had no difficulty in selling the Westec shares in Respondents' account.

(g) Petitioner's failure to mitigate the debit balance in Respondents' account, as was his legal right and duty, has resulted in damages to Respondents of 159,650.00.

FIRST COUNTERCLAIM

3. As and for a first counterclaim to Petitioner's allegations:

(a) From 1962 until trading in Westec stock was closed in 1966, Respondents maintained an active account with Petitioner. During this time Petitioner, through its acknowledged agent and representative insofar as Respondents' margin account was concerned, Gross & Co., encouraged and implemented a total of 1,110 transactions on behalf of Respondents' account. Eighty percent (80%) of the securities bought or sold pursuant to these transactions were held less than six months.

(b) All of these trades were made pursuant to the advice of a registered representative of Gross & Co., Petitioner's agent. Respondents acquiesced to said representatives' suggestions relying on his avowed knowledge and expertise in the securities markets.

(c) This unusually heavy trading activity, much of which, on the aforesaid advice of Petitioner's representatives, was in highly speculative securities, resulted in net losses to Respondents' account totalling $174,049.00. Said amount does not include Respondents' substantial losses, as are hereinafter set out, in the stock of Westec Corporation. In addition, said trading generated commissions to Petitioner and its agent and representative of approximately $75,000.00.

(d) Respondents' total dollar amount of purchases and sales during this approximately 4 1/2 year period was $9,329,557.00. Respondents' average investment in the account during the same period was $107,520.00. On this basis Respondents' average investment was turned over approximately 40 times.

(e) This excessive trading or "churning" was not consistent with Petitioner's primary duty to advise and encourage Respondents to make sound investment decisions and to carry out such decisions.

(f) The churning was disproportionate to the size and character of the account, and was encouraged by Petitioner's agents primarily for the purpose of creating commissions, rather than advancing the interest of Respondents.

(g) As a result of the aforementioned churning Respondents were damaged in the amount of $75,000.00.

4. As and for a second counterclaim to Petitioner's allegations:

(a) As mentioned hereinabove, during the period of April to August 1966, Respondents dealt, conferred, and placed their orders with a registered representative of Gross & Co. All the transactions herein described were made on the advice of said representative. Said representative gave poor investment advice to Respondents in that he advised Respondents against selling their holdings in Westec despite unfavorable rumors and publicity and a steady decline in the value of Westec stock on the American Stock Exchange. Said representative's advice was based on inside information to which he was privy, which he knew or had reason to know as a registered representative was unreliable. This information contradicted the aforementioned general market trend in Westec and the unfavorable publicity to which Westec had been subject at that time. In addition, said representative knew or had reason to know that the great fluctuation in the price of Westec over a relatively short period of time had demonstrated that Westec was not a sound investment.

(b) Respondents, although having expressed an interest in selling their Westec holdings, followed the advice of this representative in reliance on his avowed expertise and the

position of trust which existed between Respondents and said representative, and did not sell their holdings in Westec.

(c) On August 25, 1966, two days after Respondents' decision not to sell their Westec stock due to the circumstances described above, trading was suspended in Westec. At that time, Westec was being quoted on the American Stock Exchange at approximately 45. When trading was resumed on May 5, 1969, said stock was quoted at 11 3/4.

(d) As a result of said representative's advice and Respondents' failure to sell in reliance thereon, Respondents were damaged to the extent of $458,850.00.

WHEREFORE, Respondents David and Mary Buckley demand judgment as follows:

A. On their set-off the amount of $159,650.00.

B. On their first counterclaim the amount of $75,000.00.

C. On their second counterclaim the amount of $458,850.00.

Dated: New York, New York

August 13, 1970

WEBSTER SHEFFIELD FLEISCHMANN
HITCHCOCK & BROOKFIELD
Attorneys for Respondents
David and Mary Buckley
1 Rockefeller Plaza
New York, New York 10020
(212) 582-3370

PAGE LEFT BLANK INTENTIONALLY

Pltfs' Exh. 10 for Id. E 116
RC 6/3/71

PLAINTIFF'S EXHIBIT 31.

November 11, 1970

Miss Susann Malin
Commercial Tribunal Supervisor
American Arbitration Association
140 West 51st Street
New York, New York 10020

Re: 1310-0725-70
Newburger, Loeb - Buckley

Dear Miss Malin:

Please be advised that Golenbock and Barell no longer represents claimant Newburger, Loeb & Co.

Accordingly, we request that the above proceeding be held in abeyance pending the appearance of successor counsel. Should it be necessary to contact Newburger, Loeb directly, you should direct your inquiry to Richard Miles, Esq., resident counsel to Newburger, Loeb.

Very truly yours,

ACS:mn

Arthur C. Silverman

cc: Leland G. Cook, Esq.
Webster, Sheffield, Fleishmann,
Hitchcock & Brookfield
1 Rockefeller Plaza
New York, N.Y. 10020

PLAINTIFF'S EXHIBIT 32

WEBSTER SHEFFIELD FLEISCHMANN HITCHCOCK & BROOKFIELD

1 ROCKEFELLER PLAZA · NEW YORK, N.Y. 10020

(212) 582-3370
CABLE "WEBSHEF"

E 117

Deft's Exh. & for Id.
R. C. 6/3/71

SAMUEL L. BROOKFIELD
DONALD J. COHN
HENRY B. CORTESI
JAMES F. DOWNEY
MANLY FLEISCHMANN
PETER S. HELLER
ETHAN A. HITCHCOCK
WILLIAM H. HOGELAND, JR.
MAXIMILIAN W. KEMPNER
THEODORE S. LYNN
EDWARD L. REA
JAMES V. RYAN
FREDERICK SHEFFIELD
HENRY CASSORTE SMITH
JOHN D. SMYERS
I. N. P. STOKES
FREDERICK R. VAN VECHTEN
BETHUEL M. WEBSTER

EDWARD M. FREEMAN
FRANCIS H. HORAN
COUNSEL

PLAINTIFF'S EXHIBIT 32.

November 20, 1969

Arthur Silverman, Esq.
Golenbock & Barell
60 East 42 Street
New York, New York 10017

Re: Mr. and Mrs. David W. Buckley

Dear Mr. Silverman:

As we discussed, I am enclosing a copy of Mr. and Mrs. Buckley's balance sheet as of November 1, 1969. I will submit the original to you forwarded by a letter from them representing that it is a true and complete statement of their financial position as of that date.

This information is furnished to you solely for your use in connection with a settlement of claims against Mr. and Mrs. Buckley by your client, Newburger Loeb & Co.

Very truly yours,

Karl B. Holtzschue

Karl B. Holtzschue

Enc.

BALANCE SHEET

MARY S./ DAVID W. BUCKLEY 11/1/69

ASSETS

Cash	4,500
House	150,000
Stock:	
700 GP @50:	35,000
8200 WE @4 :	32,800
	67,800
	222,300

LIABILITIES

Bank Loans:		
SCNB:	307,000	
Mon. Cty.	125,000	
ChaseMan.	75,000	
		507,000
1st. Mortgage		75,000
New. Loeb.		289,000
		871,000

INCOME/EXPENSE STATEMENT (ANNUAL)

INCOME

Salary	43,000
Trust Fund	7,000
Div. Income	1,000
	51,000

FIXED EXPENSES

Interest:		
Loans:	46,000	(507,000@9%)
Mort.:	4,900	(75,000@61/2%)
		50,900
Taxes		6,500
		57,400

VARIABLE (HOUSEHOL D)

Annual Approx.	37,000
Total	94,400

PLAINTIFF'S EXHIBIT 52.

E 118

PLAINTIFF'S EXHIBIT

E 119

WEBSTER SHEFFIELD FLEISCHMANN HITCHCOCK & BROOKFIELD

1 ROCKEFELLER PLAZA · NEW YORK, N.Y. 10020

(212) 582-3370

CABLE "WEBSHEF"

SAMUEL L. BROOKFIELD
DONALD J. COHN
HENRY B. CORTESI
JAMES F. DOWNEY
MANLY FLEISCHMANN
PETER S. HELLER
ETHAN A. HITCHCOCK
WILLIAM H. HOGELAND, JR.
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THEODORE S. LYNN
EDWARD L. REA
JAMES V. RYAN
FREDERICK SHEFFIELD
HENRY CASSORTE SMITH
JOHN D. SMYERS
I. N. P. STOKES
FREDERICK R. VAN VECHTEN
BETHUEL M. WEBSTER

EDWARD M. FREEMAN
FRANCIS H. HORAN
COUNSEL

PLAINTIFF'S EXHIBIT 33.

November 26, 1969

Arthur Silverman, Esq.
Golenbock & Barell
60 East 42 Street
New York, New York 10017

Re: Mr. and Mrs. David W. Buckley

Dear Mr. Silverman:

As I promised in my letter to you of November 20, 1969, I am enclosing a letter from Mr. and Mrs. Buckley representing that the attached statement of their financial position is true and complete and that there have been no material changes since its date.

Very truly yours,

Karl B. Holtzschue

Encs.

BALANCE SHEET

MARY S./ DAVID W. BUCKLEY 11/1/69

ASSETS

Cash		4,500
House		150,000
Stock:		
700 GP @50:	35,000	
8200 WE @4 :	32,800	
		67,800
		222,300

LIABILITIES

Bank Loans:		
SCNB:	307,000	
Mon. Cty.	125,000	
ChaseMan.	75,000	
		507,000
1st. Mortgage		75,000
New. Loeb.		289,000
		871,000

INCOME/EXPENSE STATEMENT (ANNUAL)

INCOME

Salary	43,000
Trust Fund	7,000
Div. Income	1,000
	51,000

FIXED EXPENSES

Interest:		
Loans:	46,000	(507,000@9%)
Mort.:	4,900	(75,000@61/2%)
		50,900
Taxes		6,500
		57,400

VARIABLE (HOUSEHOLD)

Annual Approx.	37,000
Total	94,400

E 120

PLAINTIFF'S EXHIBIT 33.

Arthur S .verman, Esq.
Golenbock & Barell
60 East 42 Street
New York, New York 10017

E 121

Dear Mr. Silverman:

We hereby represent that the attached balance sheet, dated November 1, 1969, is a true and complete statement of our financial position as of that date, and we further represent that there have been no material changes in our position to the date of this letter.

This information is furnished to you solely for your use in connection with a settlement of claims against us by your client, Newburger, Loeb & Co.

Very truly yours,

D. W. Buckley
(David W. Buckley)

Mary S. Buckley
(Mary S. Buckley)

Enc.

11/20/69

Defts Exh

R.C. 6/3/71

PLAINTIFF'S EXHIBIT 34

E 122

December 1, 1969

Mr. Leo Stern
Newburger, Loeb & Co.
5 Hanover Square
New York, N. Y. 10004

Re: Mr. and Mrs. David W. Buckley

Dear Mr. Stern:

We enclose herewith a financial statement of the Buckleys together with a statement signed by both of them to the effect that the balance sheet is "true and complete". You will note that liabilities are $650,000 in excess of assets and that annual expenses exceed income by over $43,000.

The key issue, as we see it, is whether to commence an action against the Buckleys for the substantial debit balance, risking the possibility that the Buckleys may declare bankruptcy and that Newburger, Loeb would then share as a general creditor in whatever funds may be left after claims of secured creditors are satisfied.

Assuming bankruptcy were declared, Newburger, Loeb would, in addition to the proceeds obtained from the sale of the Western stock, recover somewhere between $20,000 and $30,000 depending upon trustee's administration and legal expenses, extent of claims of merchandise and credit card creditors, and whether or not the 700 shares of Georgia Pacific are pledged to the banks as collateral. This recovery is approximately equal to the $25,000 which Buckley's father has offered to voluntarily pay now.

PLAINTIFF'S EXHIBIT 34.

The course of action to be pursued involves essentially a business decision which must be based upon your evaluation as to whether the enclosed financial statement is accurate, whether Buckley's father would come up with a substantially greater sum were an action commenced, and whether the risk of bankruptcy is real or feigned. In addition, the RR who handled the accounts should be interviewed thoroughly to determine whether there is any reason to believe that the Buckleys may assert counterclaims.

We await your further advice in the matter.

Very truly yours,

Arthur C. Silverman

ACS:mn

Enclosure

PLAINTIFF'S EXHIBIT 35

Sheet of handwritten notes.

(This Exhibit was marked at the time of trial for identification only and was not admitted into evidence.)

PLAINTIFF'S EXHIBIT 35.

E 124

11-30-70 - Leland H. Cook - Reyn

$ 332,345 - plus interest May 5, 1970

+ AAA - fee

$2,247.00 - Admin fee

335,000
175,000

Failure to sell promptly - $159,650.

8-1966 - Simpl tires
May 5, 1967 - resume
June 19, 1964 - 2500 add'l shs 11,300
4,500

1964 - Lee St - title
- Sold Reyn Pacific - father was family
Lewis Bros.
Age 35

Jan - Merrill Lyst - Reyn Pacific - ($20 25,000 -
5,000 - Cash
$25,000

$50,000

12-9-70 - Cook

E 125
4
Defts' Exh B for I.
R C 6/3/71

PLAINTIFF'S EXHIBIT 36.

1528.001
FILE #
C#
SUB-FILE

December 16, 1970

Leland G. Cook, Esq.
Webster, Sheffield, Fleishmann,
Hitchcock & Brookfield
1 Rockefeller Plaza
New York, New York 10020

Re: Newburger, Loeb & Co. -
David Buckley and Mary Buckley

Dear Mr. Cook:

In accordance with our telephone conversation, enclosed please find for your approval the following documents:

1. Stipulation of Settlement to be executed by counsel;

2. Form of General Releases to be exchanged; and

3. Assignment of Claims against Gross & Co.

In the event your client elects to pay $25,000.00 upon execution of the Stipulation of Settlement and give Newburger, Loeb & Co., a $25,000.00 promissory note due in January of 1971, we will hold the General Releases in escrow together with the Stipulation of Settlement and Assignment until payment of the promissory note.

In the event your client elects to make payment in full during December 1970, we will exchange General Releases and deliver the Assignment immediately.

PLAINTIFF'S EXHIBIT 36.

E 126

Please call me with any comments you have relating to the form of documents. If they are in form and substance satisfactory to you, please have the General Release and Assignment executed by your client and we will arrange for a "closing".

Thank you in advance for your prompt attention to this matter.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH

By
Robert S. Persky

RSP/meg

Enclosures

To all to Whom these Presents shall come

or may Concern,

E 127

PLAINTIFF'S EXHIBIT 37.

Greeting: *KNOW YE, That* Newburger, Loeb & Co., a Limited Partnership organized and existing under the laws of the State of New York with its principal place of business at 5 Hanover Square, New York, New York

for and in consideration of the sum of $50,000.00 (Fifty Thousand Dollars and 00/00)

lawful money of the United States of America to it *in hand paid by*

David and Mary Buckley, 82 West River Road, Rumson, New Jersey

the receipt whereof is hereby acknowledged, have remised, released, and forever discharged and by these presents does for itself, its *heirs, executors, and administrators and assigns, remise, release and forever discharge the said*

David and Mary Buckley and their

heirs, executors, administrators, successors and assigns of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against them

ever had, now has or which its *heirs, executors, or administrators, hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.*

This release may not be changed orally.

In Witness Whereof, *have hereunto set hand and seal the* 24th *day of* December *in the year one thousand nine hundred and* seventy.

Sealed and delivered in the presence of

.....L.S.

A General Partner of
Newburger, Loeb & Co.

PLAINTIFF'S EXHIBIT 37.

E 128

State of NEW YORK
of
County of NEW YORK } ss.:

On the 24th day of December in the year one thousand nine hundred and seventy before me personally came Leo Stern

a General Partner of Newburger, Loeb & Co.

to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

Frances T. Miller

71

NEWBURGER, LOEB & CO.

TO

DAVID BUCKLEY AND
MARY BUCKLEY

General Release

Defts' Exh. 5 for Id.
Re. 6/3/71

AMERICAN ARBITRATION ASSOCIATION

PLAINTIFF'S EXHIBIT 38.

E 129

In the Matter of the Arbitration Between

NEWBURGER, LOEB & CO.

and

DAVID BUCKLEY and MARY BUCKLEY

STIPULATION OF SETTLEMENT

It is hereby agreed to and stipulated by and between the counsel for Petitioner and Respondent herein as follows:

1. Simultaneously with the execution hereof, David Buckley and Mary Buckley shall pay to Newburger, Loeb & Co., the sum of $50,000.00 (Fifty Thousand Dollars and 00/00).

2. Respondent and Petitioner shall exchange General Releases.

3. Simultaneously herewith David Buckley and Mary Buckley shall assign to Newburger, Loeb & Co., all claims against Gross & Co., more specifically set forth in Counterclaim 1 and Counterclaim 2 of their Answer, Set-Off and Counterclaim herein.

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH
Counsel for Newburger, Loeb & Co.

By: Lenore D. Kahmus

WEBSTER, SHEFFIELD, FLEISHMANN,
HITCHCOCK & BROOKFIELD
Counsel for David Buckley and Mary Buckley

By: Leland G. Cook

LEON FINLEY
STEVEN J. KUMBLE
NEIL UNDERBERG
ROBERT S. PERSKY
HERBERT F. ROTH
DONALD ZIMMERMAN

LOUIS BECK
NORMAN ROY GRUTMAN
THEODORE J. GREENE
ALAN M. GELB
S. HOWARD RAPPAPORT

RICHARD E. CARTER
PAUL R. ALTER
LEWIS H. SANDLER
STANLEY L. GOLDEN
BENJAMIN IRA GERTZ
JOHN P. A. MARCIN
DONALD S. SNIDER
HOWARD L. BASS
ROBERT E. PEDUZZI

STEPHEN A. WEISS
L. MARTIN GIBBS
MICHAEL A. BAMBERGER
ROBERT L. FALKER
LENORE D. KALMUS
SHELDON M. GOLDSTEIN
WILLIAM F. ROSENBLUM, JR.
PETER J. LANE

477 MADISON AVENUE
NEW YORK, NEW YORK 10022

755-7600
(AREA CODE 212)

CABLE: LENFINLEY
NEW YORK

PLAINTIFF'S EXHIBIT 39.

E 130

December 28, 1970

Mr. and Mrs. David Buckley
82 West River Road
Rumson, New Jersey

Dear Mr. and Mrs. Buckley:

We are general counsel to Newburger, Loeb & Co., a Limited Partnership organized and existing under the laws of the State of New York.

We are familiar with the Articles of Limited Partnership of Newburger, Loeb & Co., and have reviewed the General Release dated December 24, 1970, from Newburger, Loeb & Co., to you and are of the opinion that the execution thereof by Leo Stern, a General Partner of Newburger, Loeb & Co., was authorized under the Articles of Limited Partnership and that the Release is a valid and binding obligation of Newburger, Loeb & Co.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH

By
Robert S. Persky

RSP/meg

PLAINTIFF'S EXHIBIT 40.

E 131

DATE Dec 27 1922 No. 50-1019/213

PAY TO THE ORDER OF Finley, Kumble, Underberg, Persky and Roth Counsel to Newburger Loeb & Co. $ 25 000.00

DOLLARS

Scarsdale National Bank and Trust Company
SCARSDALE, NEW YORK 1

DAVID W. BUCKLEY

David W. Buckley

MEMO

⑈0213⑈ ⑆021907⑆ 0798⑈08

SUB-FILE

PLAINTIFF'S EXHIBIT 41

Defts' Exh. 9 for Id.
E.C. 6/3/71

E 132

December 29, 1970

American Arbitration Association
140 West 51st Street
New York, New York 10020

Attention: Susann Malin
Commercial Tribunal Supervisor

Re: 1310-0725-70 -
Newburger, Loeb & Co. -
David Buckley and Mary Buckley

Gentlemen:

Please be advised that the above-captioned matter has been settled.

We enclose herewith a copy of the Stipulation of Settlement.

We would appreciate a refund of the administrative fee paid by our client in accordance with the Refund Schedule of the Commerical Arbitration Panel.

Please forward the refund check to the attention of the undersigned as counsel for Newburger, Loeb & Co.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH

By
Robert S. Persky

RSP/meg
Enclosure

To all to whom these Presents shall come

or may Concern, E 133

Greeting: *KNOW YE, That* David and Mary Buckley of 82 West River Road, Rumson, New Jersey

PLAINTIFF'S EXHIBIT 42.

for and in consideration of the sum of $1.00 (One Dollar and 00/00)

lawful money of the United States of America to them *in hand paid by* Newburger, Loeb & Co., a Limited Partnership organized and existing under the laws of the State of New York with its principal place of business at 5 Hanover Square, New York, New York

the receipt whereof is hereby acknowledged, have remised, released, and forever discharged and by these presents do for themselves, their *heirs, executors, and administrators and assigns, remise, release and forever discharge the said* Newburger, Loeb & Co., and its *heirs, executors, administrators, successors and assigns of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against* it, they *ever had, now have or which* their *heirs, executors, or administrators, hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.*

This release may not be changed orally.

In Witness Whereof, have hereunto set their *hand* s *and seal* s *the* [illegible] *day of* December *in the year one thousand nine hundred and* seventy.

Sealed and delivered in the presence of

STATE OF NEW YORK, COUNTY OF NEW YORK ss.:

On the 30th day of December, 1970 before me personally came [illegible] to me known, and known to me to be the individuals described in, who executed the foregoing instrument, and duly acknowledged to me that they executed the same.

Notary Public, State of New York
No. 03-7612225
Qualified in Bronx County
Certificate filed in New York County
Term Expires March 30, 1972

David Buckley L.S.

Mary Buckley L.S.

ASSIGNMENT OF CLAIMS

PLAINTIFF'S EXHIBIT 42. E 134

For good and valuable consideration, receipt of which is hereby acknowledged, David Buckley and Mary Buckley, residing at 82 West River Road, Rumson, New Jersey, hereby assign to Newburger, Loeb & Co., a limited partnership organized and existing under the laws of the State of New York, all of their claims against Gross & Co., a partnership organized and existing under the laws of the State of New York, said claims more specifically described in the first and second Counterclaims in the Answer, Set-Off and Counterclaim of David Buckley and Mary Buckley, dated August 13, 1970, submitted in the Matter of the Arbitration of Controversy between Newburger, Loeb & Co., Petitioner and David Buckley and Mary Buckley, Respondents.

If requested by Newburger, Loeb & Co., David Buckley and Mary Buckley agree to give any reasonable cooperation in connection with the collection of the claims herein assigned. The failure to cooperate shall invalidate the General Releases given David Buckley and Mary Buckley by Newburger, Loeb & Co., simultaneously herewith.

David Buckley

Mary Buckley

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 7th day of December, 1970, before me personally came DAVID BUCKLEY and MARY BUCKLEY, to me known, and known to me to be the individuals described in, and who executed the foregoing instrument, and duly acknowledged to me that they executed the same.

ROSE LUBIN
Notary Public, State of New York
No. 03-7612325
Qualified in Bronx County
Certificate filed in New York County
Term Expires March 30, 1972

Defts exhibit 30 id
1/21/72 - M. Lesher

E 135

PLAINTIFF'S EXHIBIT 43.

FINLEY, KUMBLE, UNDERBERG, PERSKY & ROTH

LEON FINLEY
STEVEN J. KUMBLE
NEIL UNDERBERG
ROBERT S. PERSKY
HERBERT F. ROTH
DONALD ZIMMERMAN

LOUIS BECK
NORMAN ROY GRUTMAN
THEODORE J. GREENE
ALAN M. GELB
B. HOWARD RAPPAPORT

RICHARD E. CARTER
PAUL R. ALTER
LEWIS M. SANDLER
STANLEY L. GOLDEN
BENJAMIN IRA GERTZ
JOHN P. A. MARCIN
DONALD S. SNIDER
HOWARD L. BASS
ROBERT E. PEDUZZI

STEPHEN A. WEISS
L. MARTIN GIBBS
MICHAEL A. BAMBERGER
ROBERT L. FALKER
LENORE D. KALMUS
SHELDON M. GOLDSTEIN
WILLIAM F. ROSENBLUM, JR.
PETER J. LANE
STEPHEN G. DICKERMAN

477 MADISON AVENUE
NEW YORK, NEW YORK 10022

755-7600
(AREA CODE 212)

CABLE: LENFINLEY
NEW YORK

February 11, 1971

Newburger, Loeb & Co.
5 Hanover Square
New York, New York

Re: Agreement as of the 31st Day of December 1970 Between Newburger, Loeb & Co., Inc., and Newburger, Loeb & Co. ("Agreement")

Gentlemen:

We have represented Newburger, Loeb & Co.. Inc., in connection with the Agreement and have been requested to act as special counsel to Newburger, Loeb & Co. (the "Partnership") for the sole purpose of rendering the opinion required in paragraph 6(d) of the Agreement.

We have reviewed the Agreement, the Partnership Law of the State of New York and the Restated Articles of Limited Partnership of Newburger, Loeb & Co., as amended (the "Partnership Agreement").

We are informed that a[illegible]he present General and Limited Partners of the Partnership have executed the Agreement except two Limited Partners who have submitted written notices of withdrawal of capital.

We are informed that the Executive Committee of the Partnership has ratified the Agreement. Under Article IV, Section 4.3 of the Partnership Agreement, the Executive Committee has full power and authority on behalf of all of the partners to manage the affairs and business of the Partnership.

PLAINTIFF'S EXHIBIT 43.

Under Article II, Section 2.1 of the Partnership Agreement, the term of the Partnership may be terminated sooner than December 31, 1971, by the General Partners.

We are familiar with Section 98 of the Partnership Law and the cases decided thereunder.

We have been informed of the fact that the New York Stock Exchange (the "NYSE") has insisted that the Partnership resign from the NYSE and cease to do business as a broker-dealer unless there was a substantial influx of new capital. We have been further informed of the fact that repeated attempts by General Partners to raise new capital for the Partnership have been unsuccessful.

We are informed that liquidation would probably result in loss of all General Partners' capital and substantially all Limited Partners' capital.

The Agreement will result in the influx of new capital to Newburger, Loeb & Co., Inc., and will give the Limited Partners an opportunity to save their capital if the operations of Newburger, Loeb & Co., Inc., are successful.

Under all of the circumstances, notwithstanding the provisions of Section 98 of the Partnership Law, we are of the opinion that Newburger, Loeb & Co., has the power and authority to enter into the Agreement and consummate the transactions contemplated thereunder.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH

By Robert S. Persky
Robert S. Persky

Dft to E+33 for I.D
NC
1/21/72

PLAINTIFF'S EXHIBIT 44

E 137

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that NEWBURGER, LOEB & CO., a New York limited partnership, with its principal office at 5 Hanover Square, New York, New York (hereinafter "Seller"), in consideration of the sum of Ten Dollars ($10) and other good and valuable consideration to it paid by Newburger, Loeb & Co., Inc., a Delaware corporation, with its principal office at 5 Hanover Square, New York, New York (hereinafter "Buyer"), receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, assign, transfer, set over and deliver unto Buyer all of Seller's right, title and interest in and to all of its assets, real and personal, tangible and intangible, vested or contingent, of any nature whatsoever, including, without limitation, the assets set forth in Schedule "A" attached to and made a part hereof,

TO HAVE AND TO HOLD, all and singular, the same unto said Buyer, its successors and assigns, for its and their own use and benefit, forever.

Seller agrees that at any time, and from time to time after the delivery hereof, it will, upon request of Buyer, execute, acknowledge and deliver all such further deeds, bills of sale, assignments or other instruments as may be reasonably requested by Buyer, or may be required for the assigning, transferring, granting and conveying to Buyer

PLAINTIFF'S EXHIBIT 44.

E 138

of any of the aforesaid assets.

Nothing herein contained shall in any way be deemed to limit the representations and warranties of Seller contained, nor the assumption of liabilities to the extent provided in an Agreement between Buyer and Seller dated as of the 31st day of December.

IN WITNESS WHEREOF, this instrument has been duly executed this 11th day of February, 1971.

NEWBURGER, LOEB & CO.

By _____
General Partner

By _____
General Partner

By _____
General Partner

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On this 11th day of February, 1971, before me personally came Robert L. Stern, Robert Newburger, and Andrew H. Newburger to me known, and known to me, who, being by me duly sworn, did depose and say that they ~~is a~~ are general partners of Newburger, Loeb & Co.; that they is a the persons who executed the above Bill of Sale, and that they was duly authorized to sign said instrument by said partnership.

_____
Notary Public

MICHAEL A. BAMBERGER
Notary Public, State of New York
No. 31-0[illegible]
Qualified in New York County
Commission Expires [illegible], 72

PLAINTIFF'S EXHIBIT 44.

NEWBURGER, LOEB & CO.
BALANCE SHEET
DECEMBER 31, 1970

UNAUDITED

E 139

ASSETS

CURRENT ASSETS		
Cash in Bank & on Hand		$ 142,251
Receivable from brokers & dealers		255,956
Receivable from W. E. Hutton & Co.		
- Commissions	$ 145,249	
- Floor Brokerage	20,283	
- Firm Trading	306,068	
- Omnibus	62,454	534.054
Receivables from customers unsecured (net of reserves)		217,644
Market value of securities in partners, firm and subordinated accounts		1,073,940
Prepaid expenses		
- Prepaid Conversion Cost	52,047	
- Prepaid Taxes	10,628	62,675
Other Current Assets		
- Good Faith Deposits	28,300	
- Receivable from Rosen & Co.	7,976	36,276
Total Current Assets		2,322,796
OTHER ASSETS		
Memberships in New York & American Stock Exchanges net of reserves		300,000
Furniture & Fixtures, net of depreciation		581,665
Investment and Advances to Subsidiary Corporations		
- N/L Holding Co.	38,500	
- N/L Sports Enterprises, Inc. (fully reserved)	- -	38,500
Subordinated Loan Receivable from W. E Hutton - cash		172,399
Subordinated Loan Receivable from W. E. Hutton- securities		206,617
MISCELLANEOUS		
Dividends Receivable (net of reserves $34,363)		2,783
Rent Deposit		5,970
James Anthony Liquidation ($11,148 fully reserved)		- -
Receivable from Partners		66,210
Other		2,570
TOTAL ASSETS		$3,699,510

NEWBURGER, LOEB & CO.

TO: Paul Risher

PLAINTIFF'S EXHIBIT 45.

FROM: Larry Berkowitz LB.

E 140

DATE: December 7, 1970

On December 2, 1970, Bob Persky of Finley, Kumble called and indicated that he had discussed the settlement of the Buckley case with the attorneys for Buckley and had extracted the following proposal:

1. $50,000 cash

2. An assignment of Buckley's "churning" cause of action against Gross & Co. to us.

He indicated that he believed that this settlement was a reasonable one since Buckley may be able to hold Newburger, Loeb liable on the "churning" counter-claim due to a heretofore unknown letter of July 18, 1964 by Leo Stern addressed to Buckley which indicates that Buckley's accounts had the same standing as those accounts opened by our own RRs. In addition, Mr. Persky pointed out that if we pursued our claim against Buckley, he would probably declare bankruptcy and the banks to whom Buckley owes money would have claims prior to ours and, therefore, we would probably not be able to get anything from the bankruptcy.

As I indicated to you previously, I believe that we should authorize Mr. Persky to settle the case and the terms indicated above if he is unable to negotiate a larger sum. I would also like to add that I believe Persky has done an excellent and efficient job in this matter, since this case was previously handled by Golenbock and Barell for several years without any satisfactory offer of settlement and Persky has had the case for one month.

You asked me to supply you with some background on the Buckley loss. The facts are as follows:

The Buckley's opened accounts with Charles Jordan of Gross & Co., for whom we were clearing, in mid 1962. They were extremely active accounts and had approximately 1100 trades from the date they were opened in 1962, until August, 1966, when Westec was suspended from trading on the AMEX. In October, 1966, after all other security positions had been liquidated, there was an unsecured debit balance of $289,782 in the combined accounts, with a long position of 11,300 shares of suspended Westec.

PLAINTIFF'S EXHIBIT 45. E 141

On May 15, 1969, Westec trading was resumed and the opening price was 11-3/4. If the 11,300 shares had been liquidated at that time at an average price of $9, it would have to approximately $100,000, resulting in a net loss to us of approximately $100,000, resulting in a net loss to us of approximately $190,000 (I have not included interest from 10/66 to 5/69).

Subsequently, on June 23, 1969, the Buckley's delivered another 250 shares of Westec from Merrill, Lynch, which if liquidated on the date of receipt, would have reduced their debit balance by an additional $15,000, leaving a net loss as of June 23, 1969 to $175,000.

Assuming that the "churning" claim had some validity on the basis of Leo Stern's letter, a settlement of $50,000 in cash looks very good.

We are carrying the Buckley loss on our books as an unsecured debit of $387,051. Approximately $85,000 of this represents interest, bringing the loss to approximately $300,000. In addition, the $387,000 does not take into account the approximately $30,000 we realized upon the sale of the Buckley's stock, leaving a loss of $280,000. Further, that number does not take into account the fact that had we sold immediately upon Westec's resuming trading, we would have cut our losses by about $89,000 (giving effect to our November 1970 sales at $2) leaving a loss of $190,000.

Larry Berkowitz

LB:fa

FILE #
L #
SUB-FILE

Pltf's Exh. 15 for Id.
F.C 6/3/71

E 142

PLAINTIFF'S EXHIBIT 46.

March 30, 1971

BY HAND

Leland G. Cook, Esq.
Webster, Sheffield, Fleischmann,
Hitchcock & Brookfield
1 Rockefeller Plaza
New York, New York 10020

Dear Mr. Cook:

Thank you for your letter of March 30, 1971, and the checks enclosed therein.

Pursuant to our agreement, enclosed please find the following:

1. $25,000.00 Promissory Note of David Buckley duly marked "paid and canceled";

2. General Release from Newburger, Loeb & Co., to David and Mary Buckley;

3. Stipulation of Settlement duly executed by Finley, Kumble, Underberg, Persky & Roth and Webster, Sheffield, Fleischmann, Hitchcock & Brookfield.

Thank you for your courtesies in this matter.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH

By
Robert S. Persky

RSP/meg
Enclosures

PLAINTIFF'S EXHIBIT 46.

$25,000 E 143

New York, New York
December 30, 1970

On March 31, 1971, I promise to pay to the order of Finley, Kumble, Underberg, Persky & Roth as counsel for Newburger, Loeb & Co., Twenty-Five Thousand Dollars, with interest at the rate of 6% per annum, at the offices of Finley, Kumble, Underberg, Persky & Roth, 477 Madison Avenue, New York, New York.

DAVID BUCKLEY

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 30th day of December, 1970, before me personally came DAVID BUCKLEY, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

ROSE LUBIN
Notary Public, State of New York
No. 03-7612225
Qualified in Bronx County
Certificate filed in New York County
Term Expires March 30, 1972

Paid 3/30/71
Cancelled

0117 - ACPTFORM GENERAL RELEASE—INDIVIDUAL "Kom-Form" OLDSMITH BROS., N. Y. 10038 (212) 267-7933

PLAINTIFF'S EXHIBIT 46.

To all to whom these Presents shall come or may Concern, E 144

Greeting: *KNOW YE, That* Newburger, Loeb & Co., a Limited Partnership organized and existing under the laws of the State of New York with its principal place of business at 5 Hanover Square, New York, New York

for and in consideration of the sum of $50,000.00 (Fifty Thousand Dollars and 00/00)

lawful money of the United States of America to it *in hand paid by*

David and Mary Buckley, 82 West River Road, Rumson, New Jersey

the receipt whereof is hereby acknowledged, have remised, released, and forever discharged and by these presents does for itself, its *heirs, executors, and administrators and assigns, remise, release and forever discharge the said*

David and Mary Buckley and their

heirs, executors, administrators, successors and assigns of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against them

ever had, now has or which its *heirs, executors, or administrators, hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.*

This release may not be changed orally.

In Witness Whereof, have hereunto set hand and seal the 24th *day of* December *in the year one thousand nine hundred and* seventy.

Sealed and delivered in the presence of

L.S.

A General Partner of
Newburger, Loeb & Co.

PLAINTIFF'S EXHIBIT 46.

State of NEW YORK
of
County of NEW YORK } ss.:

E 145

On the 24th day of December in the year one thousand nine hundred and seventy before me personally came Leo Stern

a General Partner of Newburger, Loeb & Co.

to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

Frances L. Arlen

FRANCES L. ARLEN
Notary Public, State of New York
No. 41-4093150
Qualified in Queens County
Term expires March 30, 19[illegible]

General Release

TO

DAVID BUCKLEY AND
MARY BUCKLEY

NEWBURGER, LOEB & CO.

THIS PAGE INTENTIONALLY LEFT BLANK

PLAINTIFF'S EXHIBIT 47

$25,000

E 147

New York, New York
December 30, 1970

On March 31, 1971, I promise to pay to the order of Finley, Kumble, Underberg, Persky & Roth as counsel for Newburger, Loeb & Co., Twenty-Five Thousand Dollars, with interest at the rate of 6% per annum, at the offices of Finley, Kumble, Underberg, Persky & Roth, 477 Madison Avenue, New York, New York.

DAVID BUCKLEY

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 30th day of December, 1970, before me personally came DAVID BUCKLEY, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

ROSE LUBIN
Notary Public, State of New York
No. 03-7612225
Qualified in Bronx County
Certificate filed in New York County
Term Expires March 30, 1972

ESCROW AGREEMENT

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PLAINTIFF'S EXHIBIT 48.

It is hereby agreed by and between the firm of Finley, Kumble, Underberg, Persky & Roth, Counsel for Newburger, Loeb & Co. (the "Escrow Agent"), and Webster Sheffield Fleischmann Hitchcock & Brookfield, Counsel for David Buckley and Mary Buckley as follows:

1. That the following duly executed documents were delivered into the possession of the Escrow Agent on December 30, 1970:

a. A Promissory Note executed by David Buckley on December 30, 1970 for $25,000, payable on March 31, 1971 to the order of Finley, Kumble, Underberg, Persky & Roth as Counsel for Newburger, Loeb & Co.

b. An Assignment of Claims to Newburger, Loeb & Co. dated December 30, 1970, and executed by David Buckley and Mary Buckley.

c. A General Release dated December 24, 1970 and executed by Leo Stern, a general partner of Newburger Loeb & Co., releasing David Buckley and Mary Buckley

from all claims which Newburger, Loeb & Co. has against David Buckley and Mary Buckley as of the date of execution of said General Release.

d. A General Release executed by David Buckley and Mary Buckley on December 30, 1970, releasing Newburger, Loeb & Co. from all claims which David Buckley and Mary Buckley have against Newburger, Loeb & Co. as of the date of execution of said General Release.

e. A Stipulation of Settlement dated December 30, 1970 by and between Finley, Kumble, Underberg, Persky & Roth, Counsel for Newburger, Loeb & Co. and Webster Sheffield Fleischmann Hitchcock & Brookfield, Counsel for David Buckley and Mary Buckley.

2. In the event that the Promissory Note described in Paragraph 1 hereinabove is not paid in full in accordance with its terms, the Assignment of Claims, General Releases and Stipulation of Settlement described hereinabove in Paragraph 1 shall not be binding upon the parties thereto.

PLAINTIFF'S EXHIBIT 48.

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3. The Escrow Agent hereby acknowledges receipt of a certified check for $25,000 payable to the order of Finley, Kumble, Underberg, Persky & Roth as Counsel for Newburger, Loeb & Co. and signed by David Buckley as maker.

4. That upon full payment of the Note in accordance with its terms the Escrow Agent will immediately forward to Webster Sheffield Fleischmann Hitchcock & Brookfield the original Stipulation of Settlement, General Release of Newburger, Loeb & Co., and Note as described hereinabove.

By Lorraine D. Kalmus
FINLEY, KUMBLE, UNDERBERG,
PERSKY & ROTH, Counsel for
Newburger, Loeb & Co.

By [illegible]
WEBSTER SHEFFIELD FLEISCHMANN
HITCHCOCK & BROOKFIELD
Counsel for David Buckley and
Mary Buckley

E 151

Buckley Accounts

PLAINTIFF'S EXHIBIT 49.

	Purchases	Equity	Turnover Ratio
2nd QTR. 1962	4466	12,015	.37
[illegible] QTR. 1962	213,404	62,230	3.46
[illegible] QTR. 1962	71,649	64,289	1.11
1st QTR. 1963	66993	66,795	1.00
2nd QTR. 1963	46209	65,053	.71
3rd QTR. 1963	472115—	217,174	2.13
4th QTR. 1963	492,625—	536,023	.92
1st QTR. 1964	463,386—	333,142	1.39
2nd QTR. 1964	804,152—	158,643	5.07
3rd QTR. 1964	926,999—	190,847	5.12
4th QTR. 1964	467,737—	110,267	4.24
1st QTR. 1965	90,846—	165,136	.55
2nd QTR. 1965	37,682—	135,754	.28
3rd QTR. 1965	589,237—	129,609	4.55
4th QTR. 1965	95,740—	425,095	.23
1st QTR. 1966	52,764	594,073	.09
2nd QTR. 1966	None	396,120	~~0~~
3rd QTR. 1966	None	229,143	~~0~~

Total Purchases = $4,896,004.00
Average Equity = $216,356.00
Annual Turnover Rate = 5.02

If you figure the turnover rate by individual quarters rather than the grand total, then the annual turnover rate = 6.96

PLAINTIFF'S EXHIBIT 50

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FREDERICK E. M. BALLON
ARTHUR L. STOLL
RONALD S. ITZLER
KENNETH S. KNIGIN

JULIUS KOMISSAROFF
ALBERT M. KAUFMAN
MILTON BRANDON
BURTON D. STRUMPF
DAVID NADLER
DENIS A. WEINSTOCK
RONALD F. FRIED
BERNARD LOTH
PAUL MAUER

Ballon, Stoll & Itzler
1450 Broadway
New York, N. Y. 10018

ATTORNEYS
AND
COUNSELLORS
AT LAW

LONGACRE 3-7020

CABLE BALFRED

Personal and Confidential

February 22, 1971

Robert S. Persky, Esq.
477 Madison Avenue
New York, N.Y. 10022

Dear Bob:

At your request in regard to Charles H. Gross, I am listing herein an outline of some of his specific acts of misconduct and mismanagement.

1. The leasing of new cars
2. The paying of his new garage bill
3. The purchase of his NYSE membership at a price in excess of the market value
4. The conversion of eight season tickets to the New York Jets
5. An unpaid $500 petty cash chit
6. Approximately $1600 in unpaid insurance charges
7. The unauthorized installation of a telephone in his house
8. The sale of unregistered stock in his wife's account
9. The unauthorized trading for the firm
10. The inaccurate stating of the posture of Newburger, Loeb to various parties, including the New York Stock Exchange
11. One New York Plaza
12. The basketball team
13. Mabel Bleich's salary
14. The Simonoff & Peyser affair
15. Newburger, Loeb's relation with Golenbock & Barell
16. The Joe Searles affair
17. The Louis Bracker affair
18. The Buckley affair
19. The $1,000,000 debit balance secured by restricted stock
20. The Newburger, Loeb P & L statement for 1969
21. The Newburger, Loeb $50,000 fine and censure by the New York Stock Exchange
22. Charging to Newburger, Loeb of substantial personal expenses

PLAINTIFF'S EXHIBIT 50.

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The foregoing represents a somewhat sketchy list of some of Charlie's accomplishments.

I would be happy to meet with you and discuss the contents of this letter in greater detail.

Best personal regards.

Cordially,

Ned D Frank

Ned D. Frank
For the Firm

NDF:AS

24-FF 4

PLAINTIFF'S EXHIBIT 51.

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GOLENBOCK AND BARELL

60 EAST 42ND STREET

NEW YORK, N.Y. 10017

MARTIN C. BARELL
JUSTIN M. GOLENBOCK
SEYMOUR KLEINMAN
DONALD D. SHACK
MARVIN B. TEPPER
HENRY C. SHAYS
ARNOLD RAYNOR
LEONARD W. WAGMAN
NORMAN J. MENELL
BERNARD H. GOLDFLUSS
ARTHUR M. HANDLER
ALBERT M. BIRNBAUM
STEVEN R. FRANKEL

212-986-3300
CABLE ADDRESS "GOLEGAL"

BENJAMIN L. SILVER
CARL I. KAMINSKY
CHARLES ZALAZNICK
JEFFREY A. FILLMAN
SAM W. GALOWITZ
ALAN L. KAZLOW
FREDERICK K. WALLACH
MICHAEL R. LAZARUS
JEFFREY L. ZIVYAK
MICHAEL A. LEVIN
ARTHUR C. SILVERMAN
STUART M. PELLMAN
PETER ROTHENBERG
WILLIAM L. HEYMAN
JOEL A. FEERST
ARTHUR I. WEINSTEIN
JEFFREY N. SIEGEL
MICHAEL A. KASSOVER
STEVEN M. GOLDMAN
ALAN KARDON
STEPHEN M. RATHKOPF
BARRY H. MANDEL
ERIC J. DWORKIN

December 31, 1970

To Whom This May Concern:

Golenbock and Barell has been retained by Charles H. Gross, acting on behalf of his sister Jeanne G. Donoghue, pursuant to a New York Statutory short form General Power of Attorney executed February 20, 1970, to represent said Jeanne G. Donoghue, a limited partner of Newburger, Loeb & Co. who has given notice of her withdrawal therefrom, in connection with a possible reorganization of Newburger, Loeb. Inasmuch as Mrs. Donoghue is a resident of Melbourne, Australia and because of limitations of time, Golenbock and Barell has not been able to contact her with respect to or otherwise apprise her of the provisions or the substance of the annexed agreement as amended by letter dated as of this date from transferee corporation to the limited partners. Because of the fact that said Charles H. Gross may have interests adverse to the interests of said Jeanne G. Donoghue, it is essential that Mrs. Donoghue herself be apprised of all relevant facts and herself decide whether or not the annexed agreement should be executed by Charles H. Gross on her behalf.

Accordingly, the signature of Golenbock and Barell as attorneys-at-law for Jeanne G. Donoghue does not represent her consent to acceptance of any of the provisions of the annexed agreement, but merely represents that Golenbock and Barell (i) believes the agreement to be in her best interest and (ii) will undertake with reasonable dispatch to apprise Mrs. Donoghue of the provisions of the agreement and to recommend her acceptance thereof. Golenbock and Barell does not as of this date have any authorization to sign the annexed agreement or to bind Mrs. Donoghue to its provisions.

Golenbock and Barell

Revised as of January 27, 1971

Newburger, Loeb & Co.
Reorganization

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Distribution List

PLAINTIFF'S EXHIBIT 52.

1. Arthur Silverman
Golenbock and Barell, 60 East 42nd St., New York, N.Y. YU 6-3300

2. ~~Ambrose~~ Doskow
Rosenman, Colin, Kaye, Petschek, Freund and Emil (Paul Burak)
575 Madison Avenue, New York, N.Y. MU 8-7800

3. George B. Levy, Davidson, Sicher & Levy, 230 Park Avenue, N.Y.,N.Y. 683-600

4. Donald L. Newborg, 475 Fifth Avenue, New York, N.Y. OR 9-4747

5. Daniel Eisenberg, 32 Court Street, Brooklyn, N.Y. 875-6730

6. Andrew Davis
Davis and Davis, 116 John Street, New York, N.Y. 962-1111

7. Arthur Richenthal, 122 East 42nd Street, New York, N.Y. (4401) MU 7-8360

8. Ken Bialkin (Charles Lewis)
Wilkie, Farr, 1 Chase Manhattan Plaza, New York, N.Y. (54th Floor) 422-3100

9. Daniel Shapiro
Baer and McGoldrick, 345 Park Avenue, New York, N.Y. 758-0404

10. Neil D. Frank
~~Ronald Itzler~~
Balon, Stohl and Itzler, 1450 Broadway, New York, N.Y. LO 3-7020

11. Robert Seufert
~~William Perlmuth~~
Stroock, Stroock & Levan, 61 Broadway, New York, N.Y. 425-5200

12. Thomas Hopkins
White & Case, 14 Wall Street, New York, N.Y. 732-1040

13. Richard Ticktin
Ticktin & Malkin, 509 Madison Avenue, New York, N.Y. 758-3404

14. Louis Zimmerman
250 West 57th Street, New York, N.Y. CI 5-0351

15. Philip Mandel
Golden, Wienshienk & Mandel, 10 East 40th Street, New York, N.Y. 679-3760

16. Alan Isaacson, Strasser, Spiegelberg Fried & Frank
120 Broadway, New York, New York 964-6500

PLAINTIFF'S EXHIBIT
55

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Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 (212)944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2766 Broadway at 86th Street
920 Flatbush Avenue at Church Avenue (Brooklyn)

PLAINTIFF'S EXHIBIT 55.

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

BY HAND

December 17, 1968

Secretary's Office
New York Stock Exchange
11 Wall Street
New York, New York

Attention: Mr. James J. Backer

Gentlemen:

Subject to the approval of the Board of Governors Charles H. Gross, who is a member of the New York Stock Exchange, will become a general partner of Newburger, Loeb & Co. effective January 1, 1969.

Also subject to the approval of the Board of Governors, Jeanne G. Donoghue and Mabel Bleich will become limited partners of Newburger, Loeb & Co. effective January 1, 1969.

Two copies of the applications of these prospective partners are transmitted herewith. If they are approved, please list the name of Mr. Gross in the Directory (Volume 1 - NYSE Guide) directly after that of Robert L. Stern, and list the two limited partners in alphabetical order following the name of Willard S. Irle.

Very truly yours,

NEWBURGER, LOEB & CO.

By Andrew M. Newburger
Andrew M. Newburger, Partner

AMN:bs
Enclosures

E 157

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 57.

HANK

April 17, 1969

Messrs. Robert Newburger, Charles H. Gross, Robert Stern, Jack Bronstein, Dick Marshall of Newburger, Loeb & Co. met with Messrs. C. H. Newman, Herb Schmitte and Peter Nalewaik to discuss the status of the firm's operation.

Mr. Marshall reported that the firm's conversion to ACS was continuing, with the bookkeeping to be on the new system in about three months. He also reported that the firm had microfilmed all stock in place on February 28, but that the firm wouldn't count these securities until the conversion was complete, at which time they would conduct a complete "street side audit."

The increase in stock record difference during December, January and February was due to the conversion, but didn't represent any real problems, according to Mr. Marshall.

The firm also reported that they hadn't reported any long securities values for non-current divident items because they had been concentrating on the shorts. However, they expressed confidence that the longs would be properly reported with the conversion to ACS.

It was noted that Newburger, Loeb & Co. may have been the largest firm on the street still using a manual system.

The firm also reported that they confirm fail to receive and deliver currently, by use of the mandatory buy-in procedure.

The large increase in unsecured accounts of customers was due to the Westex problem. The firm had been reporting these figures net on the S.O.Q., but was informed by the examiners that this item was to be reported broad. Although the firm has been reimbursed by introducing firms for part of the item, it is still being kept open for legal reasons.

It was noted that in the firm's audited S.O.Q. the auditors may have been incomplete in checking the firm's capital computation.

Also, the firm has not had a complete count since August, 1968. Thus, the period between August, 1968 and February, 1969 remains unknown as far as differences are concerned.

SPECIAL OPERATIONS QUESTIONNAIRE

TO THE BOARD OF GOVERNORS - NEW YORK STOCK EXCHANGE

Name of Respondent Newhouse Loeb & Co Current Report as of June 27 1969 (Date)

	Current As of 6-27-69 (Date)	Previous Report As of 5-29-69 (Date)
1. Average number of daily trades during past week. (You may use approximate figures, if necessary).	1437 * + Includes Specialist & Non Public Business	1448 * + Includes specialist & non-public business
2. Are the following books and records posted on a current basis (i.e., not more than two days lag)? (If answer is "NO" indicate number of business days not posted).	Yes/No / # of Days	Yes/No / # of Days
a. General Ledger	Yes / —	Yes / —
b. Customers' & Brokers' Accounts	Yes / —	Yes / —
c. Stock Records	Yes / —	Yes / —
d. Margin Records	Yes / —	Yes / —
e. Segregation of Customers' free & excess margin securities.	Yes / —	Yes / —
f. Dividends	Yes / —	Yes / —
3. Is the general ledger in balance?	Yes	Yes
If "NO" what is difference(s)?	$ -0-	$ -0-
Explain		
As of what date?	6-27-69	5-29-69
Do you use suspense or difference accounts?	Yes	Yes
If "YES", for how many business days are such items not researched and resolved?	Significant Items are Resolved in 3 days	Significant Items are Resolved in 3 days

PLAINTIFF'S EXHIBIT 159.

Name of Respondent HAUPTBERGER LOEB & CO. Current Report as of JUNE 27 1969 (Date)

	Current As of 6-27-69 (Date)	Previous Report As of 5-29-69 (Date)
4.a. Were your securities and cash blotters for each of the last five business days balanced without the use of suspense or difference accounts? (Yes or No)	YES	YES
Also indicate number of suspense or D.K. items during this period.	NONE	NONE
b. At what time do your cage personnel complete balancing and leave each evening?	6:00 PM	6:30 PM
c. What percentage of your back office personnel work more than five hours overtime each week?	25%	25%

5. Are the detail records in agreement with the control accounts of the following? Also, show number of business days since detail records were last compared with control accounts.

	Current Yes/No	Current # of Days	Previous Report Yes/No	Previous Report # of Days
a. Customers' Accounts	YES		YES	
b. Fail to Receive	YES		YES	
c. Fail to Deliver	YES		YES	
d. Stocks Borrowed	YES		YES	
e. Stocks Loaned	YES		YES	
f. Bank Loans	YES		YES	

PLAINTIFF'S EXHIBIT 59.

E 160

Name of Respondent HEMPHILL NOYES & Co. Current Report as of JUNE 27 1969 (Date)

	Current As of 6-27-69 (Date)			Previous Report As of 5-29-69 (Date)		
6. If response to any section of question 5 is "NO" show the following:	Total of Details	Balance in Control Account	Differences	Total of Details	Balance in Control Account	Differences
(a) Customers' Accounts						
(b) Fail to Receive						
(c) Fail to Deliver						
(d) Stocks Borrowed						
(e) Stocks Loaned						
(f) Bank Loans						
7. Most recent capital position.	(Date) 6-27-69			(Date) 5-29-69		
Aggregate Indebtedness		64,982,411			80,399,067	
Net Capital		6,315,962			7,526,128	
Ratio		10.29			10.69	
Market Value of Proprietary Security Positions		4,172,382			4,546,445	
Net Worth		8,120,304			9,761,323	
8. As of what date were customers' statements last mailed?		6-27-69			5-29-69	
Approximate number of customers' statements mailed.		15,000			7,000	
Approximate number of customers' statements which required corrections.		250			115	
Approximate number of customers' complaints last month.		100			80	

PLAINTIFF'S EXHIBIT 59.

E 161

Name of Respondent NEWBURGER LOEB & Co Current Report as of JUNE 27 1969 (Date)

	Current As of 6-27-69 (Date)		Previous Report As of 5-29-69 (Date)	
9. When was the last time that a physical count was made of:	Date	# of Differences	Date	# of Differences
(a) Securities in active box.	8/31/68	1	8/31/68	1
(b) All other securities in physical possession.	8/31/68	-0-	8/31/68	-0-
(c) When was the last time detail of open transfer items were compared to stock record.	6/13/69	-0-	8/31/68	-0-
10. When were the following last confirmed?				
(a) Fail to Receive	7/31/68 } BUY-IN PROCEDURES ARE		7/31/68 } BUY IN PROCEDURES ARE	
(b) Fail to Deliver	7/31/68 } EFFECTIVELY A RE-CONFIRMATION		7/31/68 } EFFECTIVELY A RE-CONFIRMATION	
(c) Stocks Loaned	WEEKLY PROCEDURE		WEEKLY PROCEDURE	
(d) Stocks Borrowed	WEEKLY		WEEKLY	
(e) Bank Borrowings	5/29/69		5/29/69	
11. (a) Greatest number of business days for which any omnibus account (and other accounts carried by other brokers for your firm) is not reconciled.	N/A		N/A	
(b) Latest date to which all bank accounts have been reconciled.	6/30/69		5/30/69	
Dollar difference unresolved.	($) -0-		($) -0-	

PLAINTIFF'S EXHIBIT 59.

E 162

Name of Respondent Neuberger Loeb & Co Current Report as of June 27 1969 (Date)

12. Complete the following:	Current As of 6-27-69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)	Previous Report As of 5-29-69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)
(a) Suspense Accounts	30	(43,128.54 / 14,361.88)	(—)	28	(40,366.78 / 46,535.49)	(—)
(b) Difference Accounts	—	(—)	(—)	—	(—)	(—)
(c) Dividend Accounts (Non-current)	174	(46,519 — / 189,632 —)	(73,000 — / 214,000 —)	160	(37,401.27 / 165,104.30)	(65,000 — / 210,000 —)
(d) Stock Record Differences	2		(513)			(5,800 — / 37,700 —)
(e) Unsecured Accounts of: Customers	49	* 209,411 06/100	(—)	42	* 576,839 97/100	(—)
Brokers	—	—	(—)	—	—	(—)

(*) Ledger Balances and Market Values should be reported broad.

* These items are offset by a Reserve of $ 169,411.06 leaving an Unsecured Amount of $ 40,000 —

* These items are offset by a Reserve of $ 536,446.44 leaving an Unsecured Amount of $ 39,843.05.

PLAINTIFF'S EXHIBIT 59.

E 163

Name of Respondent Neuberger, Loeb & Co. Current Report as of June 27 1969 (Date)

	Current As of 6-27-69 (Date)	Previous Report As of 5-29-69 (Date)
13.(a) Number of Producing "Partners" and Registered Representatives?	87	88
(b) Number of personnel on full time internal audit staff?	14	14
(c) Number of operations personnel exclusive of (b) above?	356	362
(d) Number of all other personnel.	—	—
Total personnel	457	464

To be signed by Harley W. Knott
(Chief Executive)

and Richard L. Stern
(Member or Allied Member in Charge of Operations)

THERE MUST BE A RESPONSE TO ALL QUESTIONS OF THIS QUESTIONNAIRE.
IF YOU HAVE NOTHING TO REPORT TO A PARTICULAR QUESTION STATE "NONE".

PLAINTIFF'S EXHIBIT 59.

E 164

8/15/69

SPECIAL OPERATIONS QUESTIONNAIRE

TO THE BOARD OF GOVERNORS - NEW YORK STOCK EXCHANGE

Name of Respondent NEUBERGER LOEB & Co. Current Report as of JULY 25 1969 (Date)

	Current As of 7-25-69 (Date)	Previous Report As of 6-27-69 (Date)
1. Average number of daily trades during past week. (You may use approximate figures, if necessary).	1499 * * Includes Specialist & Non-Public Business	1437 * * Includes Specialist & Non-Public Business

2. Are the following books and records posted on a current basis (i.e., not more than two days lag)? (If answer is "NO" indicate number of business days not posted).	Yes/No	# of Days	Yes/No	# of Days
a. General Ledger	YES		YES	
b. Customers' & Brokers' Accounts	YES		YES	
c. Stock Records	YES		YES	
d. Margin Records	YES		YES	
e. Segregation of Customers' free & excess margin securities	YES		YES	
f. Dividends	YES		YES	
3. Is the general ledger in balance?	YES		YES	
If "NO" what is difference(s)?	$ -0-		$ -0-	
Explain				
As of what date?	7-25-69		6-27-69	
Do you use suspense or difference accounts?	YES		YES	
If "YES", for how many business days are such items not researched and resolved?	SIGNIFICANT ITEMS ARE RESOLVED IN 3 DAYS		SIGNIFICANT ITEMS ARE RESOLVED IN 3 DAYS	

PLAINTIFF'S EXHIBIT 60.
E 165

Name of Respondent Newburger Loeb & Co Current Report as of July 25 1969 (Date)

	Current As of 7-25-69 (Date)	Previous Report As of 6-27-69 (Date)
4.a. Were your securities and cash blotters for each of the last five business days balanced without the use of suspense or difference accounts? (Yes or No)	Yes	Yes
Also indicate number of suspense or D.K. items during this period.	None	None
b. At what time do your cage personnel complete balancing and leave each evening?	5:00 PM	6:00 PM
c. What percentage of your back office personnel work more than five hours overtime each week?	15%	25%

5. Are the detail records in agreement with the control accounts of the following? Also, show number of business days since detail records were last compared with control accounts.

	Current Yes/No	Current # of Days	Previous Report Yes/No	Previous Report # of Days
a. Customers' Accounts	Yes		Yes	
b. Fail to Receive	Yes		Yes	
c. Fail to Deliver	Yes		Yes	
d. Stocks Borrowed	Yes		Yes	
e. Stocks Loaned	Yes		Yes	
f. Bank Loans	Yes		Yes	

PLAINTIFF'S EXHIBIT 60.

E 166

Name of Respondent Hayden, Weir & Co Current Report as of July 25 1969 (Date)

	Current As of 7-25-69 (Date)			Previous Report As of 6-27-69 (Date)		
6. If response to any section of question 5 is "NO" show the following:	Total of Details	Balance in Control Account	Differences	Total of Details	Balance in Control Account	Differences
(a) Customers' Accounts						
(b) Fail to Receive						
(c) Fail to Deliver						
(d) Stocks Borrowed						
(e) Stocks Loaned						
(f) Bank Loans						
7. Most recent capital position.	(Date) 7-25-69			(Date) 6-27-69		
Aggregate Indebtedness		55,030,316			64,982,911	
Net Capital		5,021,399			6,315,962	
Ratio		10.96			10.29	
Market Value of Proprietary Security Positions		5,331,170			4,172,382	
Net Worth		7,692,137			8,120,304	
8. As of what date were customers' statements last mailed?		7-25-69			6-27-69	
Approximate number of customers' statements mailed.		13,500			15,000	
Approximate number of customers' statements which required corrections.		280			250	
Approximate number of customers' complaints last month.		50			100	

5021
2752
2269

PLAINTIFF'S EXHIBIT 60.

E 167

Name of Respondent Weisbrock Loeb & Co. Current Report as of July 25 1969 (Date)

	Current As of 7-25-69 (Date)		Previous Report As of 6-27-69 (Date)	
	Date	# of Differences	Date	# of Differences
9. When was the last time that a physical count was made of:				
(a) Securities in active box.	8/31/68	1	8/31/68	1
(b) All other securities in physical possession.	8/31/68	-0-	8/31/68	-0-
(c) When was the last time detail of open transfer items were compared to stock record.	6/13/69	-0-	6/13/69	-0-
10. When were the following last confirmed?				
(a) Fail to Receive	7/31/68	BUY IN PROCEDURES ARE EFFECTIVELY A RE-CONFIRMATION PROCEDURE	7/31/68	BUY IN PROCEDURES ARE EFFECTIVELY A RE-CONFIRMATION PROCEDURE
(b) Fail to Deliver	7/31/68		7/31/68	
(c) Stocks Loaned	WEEKLY		WEEKLY	
(d) Stocks Borrowed	WEEKLY		WEEKLY	
(e) Bank Borrowings	5/29/69		5/29/69	
11. (a) Greatest number of business days for which any omnibus account (and other accounts carried by other brokers for your firm) is not reconciled.	N/A		N/A	
(b) Latest date to which all bank accounts have been reconciled.	7/31/69		6/30/69	
Dollar difference unresolved.	($) -0-		($) -0-	

PLAINTIFF'S EXHIBIT 60.

E 168

Name of Respondent [illegible] Current Report as of JULY 25 1969 (Date)

12. Complete the following:	Current As of 7-25-69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)	Previous Report As of 6-27-69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)
(a) Suspense Accounts	37	38,369- / 40,581-	—	30	43,128.54 / 44,361.88	—
(b) Difference Accounts	—	—	—	—	—	—
(c) Dividend Accounts (Non-current)	206	71,950- / 213,244-	87,000- / 225,000-	174	46,519- / 189,632-	73,000- / 214,000-
(d) Stock Record Differences	1		920-			515-
(e) Unsecured Accounts of: Customers	76	*244,073.92		49	*209,411.06	
Brokers	—	—	—	—	—	—

(*) Ledger Balances and Market Values should be reported broad.

* These Items are offset by a Reserve of 169,411.06 leaving an Unsecured Amount of $34,662.86

* These Items are offset by a Reserve of $169,411.06 leaving an Unsecured Amount of $40,000.

PLAINTIFF'S EXHIBIT 60.

E 169

Name of Respondent NEUBURGER, LOEB & CO. Current Report as of JULY 25 1969 (Date)

	As of Current 7-25-69 (Date)	As of Previous Report 6-27-69 (Date)
13. (a) Number of Producing "Partners" and Registered Representatives?	84	87
(b) Number of personnel on full time internal audit staff?	14	14
(c) Number of operations personnel exclusive of (b) above?	349	356
(d) Number of all other personnel.	—	—
Total personnel	447	457

To be signed by Charles H. Heimbold
(Chief Executive)

and Robert S. Strauss
(Member or Allied Member in Charge of Operations)

THERE MUST BE A RESPONSE TO ALL QUESTIONS OF THIS QUESTIONNAIRE.
IF YOU HAVE NOTHING TO REPORT TO A PARTICULAR QUESTION STATE "NONE".

PLAINTIFF'S EXHIBIT 60.

E 170

JH Kuvin

SPECIAL OPERATIONS QUESTIONNAIRE

TO THE BOARD OF GOVERNORS - NEW YORK STOCK EXCHANGE

RECEIVED
1969 SEP 26
CHIEF EXAMINER

Name of Respondent KAMBERGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date)

	Current As of 9/24/69 (Date)		Previous Report (RESTATED) As of 7/25/69 (Date)	
1. Average number of daily trades during past week. (You may use approximate figures, if necessary).	* 975		* 1499	
* INCLUDES SPECIALIST & NON PUBLIC BUSINESS				
2. Are the following books and records posted on a current basis (i.e., not more than two days lag)? (If answer is "NO" indicate number of business days not posted).	Yes/No	# of Days	Yes/No	# of Days
a. General Ledger	YES		YES	
b. Customers' & Brokers' Accounts	YES		YES	
c. Stock Records	YES		YES	
d. Margin Records	YES		YES	
e. Segregation of Customers' free & excess margin securities	YES		YES	
f. Dividends	YES		YES	
3. Is the general ledger in balance? If "NO" what is difference(s)?	NO $ 8,181		NO $ 74,520	
Explain				
As of what date?	9/29/69		7/25/69	
Do you use suspense or difference accounts?	YES		YES	
If "YES", for how many business days are such items not researched and resolved?	CURRENT ITEMS IN ONE DAY		CURRENT ITEMS IN ONE DAY	

PLAINTIFF'S EXHIBIT 61.

E 171

Name of Respondent NEWBURGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date).

	Current As of 8/29/69 (Date)	Previous Report (RESTATED) As of 7/25/69 (Date)
4.a. Were your securities and cash blotters for each of the last five business days balanced without the use of suspense or difference accounts? (Yes or No)	YES	YES
Also indicate number of suspense or D.K. items during this period.	NONE	NONE
b. At what time do your cage personnel complete balancing and leave each evening?	5:00 PM	5:00 PM
c. What percentage of your back office personnel work more than five hours overtime each week?	15%	15%

5. Are the detail records in agreement with the control accounts of the following? Also, show number of business days since detail records were last compared with control accounts.

	Current Yes/No	Current # of Days	Previous Report (RESTATED) Yes/No	Previous Report (RESTATED) # of Days
a. Customers' Accounts	YES		YES	
b. Fail to Receive	YES		YES	
c. Fail to Deliver	YES		YES	
d. Stocks Borrowed	YES		YES	
e. Stocks Loaned	YES		YES	
f. Bank Loans	YES		YES	

PLAINTIFF'S EXHIBIT 61.

E 172

Name of Respondent NEWBURGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date)

	Current As of 8/29/69 (Date)			Previous Report (RESTATED) As of 7/25/69 (Date)		
6. If response to any section of question 5 is "NO" show the following:	Total of Details	Balance in Control Account	Differences	Total of Details	Balance in Control Account	Differences
(a) Customers' Accounts						
(b) Fail to Receive						
(c) Fail to Deliver						
(d) Stocks Borrowed						
(e) Stocks Loaned						
(f) Bank Loans						
7. Most recent capital position.	(Date) 8/29/69			(Date) 7/25/69		
Aggregate Indebtedness		57,310.689			60,652.838	
Net Capital		3553.914			3032.642	
Ratio		14.75			16.93	
Market Value of Proprietary Security Positions		67915.55			7693.758	
Net Worth		9554.059			9566.711	
8. As of what date were customers' statements last mailed?		8/29/69			7/25/69	
Approximate number of customers' statements mailed.		15,000			15,100	
Approximate number of customers' statements which required corrections.		440			550	
Approximate number of customers' complaints last month.		65			50	

PLAINTIFF'S EXHIBIT 61.

E 173

Name of Respondent NEWBURGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date)

	Current As of 8/29/69 (Date)		Previous Report (RESTATED) As of 7/25/69 (Date)	
9. When was the last time that a physical count was made of:	Date	# of Differences	Date	# of Differences
(a) Securities in active box.	8/31/68	1	8/31/68	1
(b) All other securities in physical possession.	8/31/68	-0-	8/31/68	-0-
(c) When was the last time detail of open transfer items were compared to stock record.	6/13/69	-0-	6/13/69	-0-
10. When were the following last confirmed?				
(a) Fail to Receive	7/31/68		7/31/68	
(b) Fail to Deliver	7/31/68		7/31/68	
(c) Stocks Loaned	WEEKLY		WEEKLY	
(d) Stocks Borrowed	WEEKLY		WEEKLY	
(e) Bank Borrowings	7/31/69		8/29/69	
11. (a) Greatest number of business days for which any omnibus account (and other accounts carried by other brokers for your firm) is not reconciled.	N/A		N/A	
(b) Latest date to which all bank accounts have been reconciled.	8/29/68		7/25/69	
Dollar difference unresolved.	($) -0-		($) -0-	

PLAINTIFF'S EXHIBIT 61.

E 174

Name of Respondent NEWBURGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date)

12. Complete the following:	Current As of 8/29/69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)	Previous Report (RESTATED) As of 7/25/69 (Date) Approx. #Items	(*) Ledger Debit (Credit)	(*) Mkt. Val. Long (Short)
(a) Suspense Accounts	231	1,251.990	159.425 / 57,290	271	323.943	1433,000 / 1689.000
(b) Difference Accounts	—	—	—	—	—	—
(c) Dividend Accounts (Non-current)	295	183.684 / 194.218	451.156 / 166,204	350	218,000 / 138.000	195.000 / 194.000
(d) Stock Record Differences (1)	4		39,100 / 34,200	1		920
(e) Unsecured Accounts of: Customers (2)	42	665.643	—	80	76046	—
Brokers	—	—	—	—	—	—

(*) Ledger Balances and Market Values should be reported broad.

(1) FULL HOUSE COUNT AND STREET SIDE VERIFICATION MADE AS OF 9/5/69 - WE ARE PRESENTLY ANALYZING THE RESULTS.

(2) THESE ITEMS ARE OFFSET BY A RESERVE OF $136.548 LEAVING AN UNSECURED AMOUNT OF $129.095.

PLAINTIFF'S EXHIBIT 61. E 175

Name of Respondent NEWBORGER, LOEB & Co. Current Report as of AUGUST 29, 1969 (Date)

	Current As of 8/29/69 (Date)	Previous Report (RESTATED) As of 7/25/69 (Date)
13.(a) Number of Producing "Partners" and Registered Representatives?	85	84
(b) Number of personnel on full time internal audit staff?	7	14
(c) Number of operations personnel exclusive of (b) above?	305	349
(d) Number of all other personnel.	—	—
Total personnel	391	447

To be signed by Charles H. Gross
(Chief Executive)

and Robert L. [illegible]
(Member or Allied Member in Charge of Operations)

THERE MUST BE A RESPONSE TO ALL QUESTIONS OF THIS QUESTIONNAIRE.
IF YOU HAVE NOTHING TO REPORT TO A PARTICULAR QUESTION STATE "NONE".

PLAINTIFF'S EXHIBIT 61.

E 176

r 6
969 (Date)

ort (Restated)
69 (Date)

PLAINTIFF'S EXHIBIT 62

Sep 4, 1969—Interim Report of N.Y.S.E. N.L. & Co. capital position as of 7/25/69 (2 pgs.)

(This Exhibit was marked at the time of trial for identification only and was not admitted into evidence.)

PLAINTIFF'S EXHIBIT 61.

E 176

PLAINTIFF'S EXHIBIT 62.

E 177

~~RMB~~ B
~~FS~~
~~RAS~~
GHN

NEW YORK STOCK EXCHANGE

MEMORANDUM

September 4, 1969

Pls. counter statements of opt. to m - B.

TO: Mr. L. W. McChesney

FROM: J. R. Wagnes, B. Cuoco

SUBJECT: Interim Report - Newburger, Loeb & Co.

The capital position as of July 25, 1969, as computed by the firm (unadjusted) is as follows:

Aggregate Indebtedness	$55,031,000
Net Capital	5,021,000
Ratio	1096%

A review of the above capital position disclosed the following:

(1) Partners' individual accounts for which equities agreements have been signed contained credits of $769,907 and long market value of $3,827,350.

(2) No "haircut" was taken on the long market value of $709,121 in subordinated accounts.

(3) The firm trading and investments are made up of the following accounts:

Account Name	Net Balance Debit	Net Balance Credit	Market Value Long	Market Value Short
Suspense		$ 606,607	$ 483,845	$415,162
Reclamation	$ 989,298		420,455	93,825
Mandatory Buy-In	119,321		346,049	374,869
OTC Buy-In	207,733		14,372	14,338
P & S Clearance		666,337	26,950	1,850
Bkge House Give Ups	64,268		170,781	69,856
Cage Clearance	378,436		28,875	
Error A/C	65,325		51,321	21,573
Trading A/C	883,867		803,000	
Other T & I	755,051		149,644	
	$3,463,299	$1,272,944	$2,495,292*	$991,473*

*A 30% "haircut" was taken on the net market value ($1,503,819) instead of $2,495,292. The firm is in the process of accumulating details concerning the various "Suspense" accounts.

PLAINTIFF'S EXHIBIT 62. E 178

(4) As of July 25, 1969 the general ledger balances in dividend accounts were debits of $1,263,323 and credits of $1,784,125, but the firm charged only $200,000 as non-current dividends receivable and included only $661 in aggregate indebtedness for dividends payable. In discussion with various employees we were informed that the firm does not believe that the balances in the general ledger accounts are accurate. The firm is now analyzing the dividend accounts to determine the correct balances and positions in these accounts.

(5) The firm charged $280,000 for exchange memberships. A review of the general ledger as of July 25, 1969 disclosed that these balances were a debit of $831,822.

(6) No effect was given to out of balance positions on the stock record. Review and discussion with Mr. Robert Therese, operations manager, disclosed that a series of accounts were opened in order to balance the stock record. A review of these accounts as of July 25, 1969 disclosed that there were approximately 4,300 long positions and 5,000 short positions. Mr. Therese said that he does not feel these are true stock record breaks. It appears that some of these positions would "pair-off". Mr. Therese added that a physical count will be made on September 6 and September 7, 1969 which should eliminate most of these out of balance positions.

The visit is still in process and the subject matter of this "interim" report has not been reviewed with various general partners.

John R. Wagner

JB
cw

2070 short -
1636 long
Rob Therese
4:12 PM
9/11/69

S.O.a.

E 179

PLAINTIFF'S EXHIBIT 63.

September 15, 1969

Mr. Charles H. Gross
Newburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Dear Mr. Cross:

After reviewing an interim report prepared by Exchange examiners, Magnes and Cuoco and discussing their findings with them, we are concerned with an apparent serious operational problem confronting your firm. We note such major problems as improperly prepared capital computations, suspense and out-of-balance accounts, security differences and unbalanced positions on the stock record. We therefore feel that limitations upon your firm's business are necessary, at least until we can be assured that your firm has its business well in hand.

It has been determined that until you are informed otherwise, the Exchange will not approve the registration of any new registered representatives, producing allied members, branch offices or new correspondents. The number of trades must be limited to 2,000 per week and, in addition, the firm cannot trade for its own accounts, the solicitation of OTC orders (except in underwritings) is prohibited, and no advertising or promotion is permitted.

In view of the capital condition of your firm, each new capital contributor must sign a "knowledgeability" letter similar to the enclosed sample.

9/15 9/16

PLAINTIFF'S EXHIBIT 63.

Mr. Charles H. Gross

September 15, 1969

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To make certain that some possible inequity arising out of these restrictions can be minimized, the Exchange should be supplied with a list of registered representatives trainees as well as those registered representatives not now with the firm to whom Newburger, Loeb & Co. has a firm employment commitment. Also, we would like to have a list of branch office personnel past the planning stage but not yet open, and a list of those advertisements presently under committment.

We feel it is essential that we be kept abreast of the firm's progress in gaining control over its operations. To help us in this overview, we would like the firm to supply us with a practical work plan covering procedures and goals and a realistic schedule for accomplishing these in the areas mentioned in the first paragraph of this letter. With the implementation of a work plan, the firm should supply the Exchange with weekly progress reports showing the current status in those areas.

Because of our examiner's difficulty in computing an accurate capital position and in order to preclude the possibility of a violation of Rule 325 of the Board of Governors, we strongly urge that as much additional capital as possible be promptly introduced. We will direct a specific amount when we know the exact amount of stock record differences and have a clear picture of your capital position.

We are particularly disturbed by the report of our examiners when contrasted to the information reported in your most recent answers to the Special Operations Questionnaire. Your related comments would be most appreciated.

Sincerely,

/s/ ROBERT M. BISHOP

Robert M. Bishop
Vice President

GHNewman:mat
Enc.

NEWBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 66.

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September 23, 1969

Mr. Robert M. Bishop,
Director
Department of Member Firms
New York Stock Exchange
4 New York Plaza - 21st Floor
New York, N. Y. 10004

Dear Mr. Bishop:

In response to your letter dated September 15, we would like to make the following comments.

As stated to Mr. G.H. Newman at the time of our most recent visit to his office, we became aware of certain inadequacies in our operations after the release of our former Operations Manager on July 18, 1969. The Special Operations Questionnaire being examined by the Exchange was dated July 25, 1969. It is our opinion and, we understand, that of the Exchange's examiners, that the current condition of our operations is much improved over what existed at that time.

Newburger, Loeb's capital computation as reported in our answers to the Special Financial Questionnaire of August 29 (prepared, we are assured, in accordance with Rule 325), reveals a ratio of 14.75 vs. 16.93 on July 25. We further expect that this ratio will be considerably diminished at the time of our September Questionnaire. We invite -- in fact, urge -- the Exchange to examine our September S.O.Q. as soon as possible, so that whatever restrictions still exist at that time can be then removed.

Newburger, Loeb & Co. does not feel that it has current operational difficulties. Nor, by the way, do the Exchange's own examiners. Therefore, we respectfully request the following:

PLAINTIFF'S EXHIBIT 66.

NEWBURGER, LOEB & CO.

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1. That Newburger, Loeb & Co. be permitted to employ two new registered representatives in its Brooklyn office. These two persons, Mr. Irving M. Katz and Mr. Alvin H. Krinsky, had previously been promised employment commencing September 23, 1969 for Mr. Katz and within the next week for Mr. Krinsky. Further, we request permission to honor our commitment to introduce Mr. Steven Elkman into our training program. He will be our only trainee. Also, Newburger, Loeb & Co. has been conducting lease negotiations with the landlord of 1900 Avenue of the Stars, Los Angeles, California, preparatory to the construction of a branch office in that location. We anticipate that the above lease will be signed prior to October 1, 1969. This office would not be expected to open before early 1970. We have arranged for the employment of a manager for this office commencing October 1, 1969. This person will receive a flat sum as compensation for the period prior to the branch opening. He is not now (in his current employment) and will not be recompensed according to production. He is, however, registered and, though we anticipate virtually no business from that source, to deny him registration would publicly reveal the existence of new restrictions.

2. That Newburger, Loeb & Co. be permitted to continue with its contractual agreement to "clear" for Perlberg, Monness, Williams & Sidel on a fully disclosed basis as of November 24, 1969. Perlberg, Monness is an institutionally oriented firm from whom we anticipate fewer than one hundred transactions per day.

3. That Newburger, Loeb & Co. be permitted three thousand trades per week. Even this number is well below our current capabilities, and since our "problems" are basically concerned with the cleaning up of past situations, the excessive limiting of our current business would serve no useful purpose. As you must well realize, those persons involved in the resolving and researching of security differences and unbalanced stock record positions, and those persons involved in the reconciling and researching of the various suspense and out-of-balance accounts, are not the persons concerned with the processing and balancing of our daily work. In addition, we have lost considerable money in the first eight months of this year and feel that while being restricted to fewer than three thousand trades per week would seriously impair our profit picture, being restricted to below twenty-five hundred trades per week would be ruinous.

COPY

PLAINTIFF'S EXHIBIT 66.

NEWBURGER, LOEB & CO.

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4. That Newburger, Loeb & Co. be permitted to allow its employees to solicit O.T.C. orders. We feel fortunate that despite our "customer side" conversion difficulties and previous restrictions, our registered employees have remained loyally with us. To now reimpose such a restriction would be to reveal our current problem and could well result in serious defections. This, too, would be ruinous. Also, considering our capacity to process current work properly and the dramatic progress made in the reduction of our fails, we do not think that this restriction can do other than hurt the firm. I might add that, in any case, our registered representatives are not permitted to solicit orders in O.T.C. stocks selling below ten dollars per share nor accept orders in stocks selling below five dollars per share.

5. That Newburger, Loeb & Co. be permitted to trade for its own account. As pointed out to Mr. Newman, both the specialist firm of Kingsley, Boye & Southwood and the non-clearing firm of Rosen, Lubash & Co. ceased to clear through us on August 29. In the case of Rosen, Lubash, Mr. Al Rosen indicated a desire to become a partner of Newburger, Loeb & Co. and to make a substantial investment therein. Because of the nature of our profit picture for 1969, it was agreed that he would wait a few months before re-opening discussions. Thereupon, he suggested that he take three of his people and set up a profit center for us, the principal business of which would be to trade for our account. This was agreed upon and Mr. Rosen recently started trading for us. He carries small over-night positions, and since we are currently raising considerable extra subordinated capital, we feel that, especially in the interest of our future strength and in the interest of secrecy, we should be permitted to continue the arrangement. I might add that such activity imposes no strain on our back office.

As of this writing, we have received conditional commitments for approximately one and one-half million dollars of extra capital and have instructed our attorney to take the necessary steps to qualify the Newburger, Loeb Profit Sharing Trust as a subordinated lender. This trust approximates another five hundred thousand dollars.

You may recall that it was at the recommendation of the Exchange and of our auditors that we initiated our conversion from a manual to an

PLAINTIFF'S EXHIBIT 66.

NEWBURGER, LOEB & CO.

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automated system. This conversion is virtually complete. Therefore, we once again urge the Exchange to examine our September S.O.Q. so that whatever restrictions still exist at that time can be removed.

Enclosed is a review of the recent steps taken to resolve our problems and a work plan for the immediate future.

Sincerely,

Newburger, Loeb & Co.

By: _____
Charles H. Cross,
Managing Partner

CHG/mb
Encl.

cc: Mr. G.H. Newman

COPY

WBURGER, LOEB & CO.

PLAINTIFF'S EXHIBIT 66.

ENCLOSURE

E 185

In response to your request to keep abreast of our progress, we would like to report as follows:

1. As of this date, the balances related to our suspense accounts have been considerably reduced. We are currently trading out these positions.

2. An out-of-balance condition still persists on our records and will probably remain as such until our overall conversion effort is completed. This condition will be reflected on our capital computations beginning with our August S.O.Q.

3. The physical count of our street-side position as of September 6, 1969 established 1,636 long differences and 2,078 short differences. As of September 22, there remain 1,540 differences on the long side and 1,784 differences on the short side. The monies involved are $13,774,900 and $10,671,700, respectively. In an effort to facilitate the reduction of these differences as rapidly as possible, we have employed specialists from JEM Associates to assist us on a twenty-four hour basis.

4. We are currently verifying the accuracy of our fails, transfers, bank loans, etc. The verification of these items should result in further confirmation of our actions.

We will be pleased to provide you with weekly reports as to our progress, including fail reports, stock record difference reports as to number and amounts, and any other items that you may request.

COPY

Charles H. Gross,
Managing Partner

September 23, 1969
CHG/mb

RECEIVED

SEP 26 1969

G.H.N.
MEMBER FIRMS

E 186

PLAINTIFF'S EXHIBIT 68.

October 1, 1969

Mr. Charles H. Gross
Hamburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Dear Mr. Gross:

We have your letter of September 23, 1969, asking for relief from restrictions which were imposed upon your firm on September 15th.

Until such time as we are satisfied with the progress being made in resolving security differences and unbalanced stock record positions, suspense and out of balance accounts, we are not inclined to remove the restrictions. However, we feel that some modification can be granted.

We will make no objection to your employment of Messrs. Kotz and Grinsky as registered representatives in your Brooklyn office inasmuch as we have been told by Mr. Robert Hamburger that your commitment to employ them was made prior to the imposition of the restriction.

As far as introducing Mr. Altman into your training program and opening a Los Angeles branch, any commitment made to employ new registered representatives or open branch offices is at your risk since the prohibition imposed may still be in effect at the time it can be honored.

PLAINTIFF'S EXHIBIT 68.

Mr. Charles H. Gross — October 1, 1969

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We will modify the trading restrictions to permit a total of not more than 3,000 trades per week which will include those effected by Mr. Rosen trading for the firm account as well as those trades brought about through the solicitation of OTC orders. However, proprietary positions (including capital accounts, investment and trading accounts, error accounts, participations in joint accounts, accounts of partners covered by equities agreements and subordinated securities) shall not exceed 8 times the excess net capital of your firm which excess net capital shall be determined in addition to excess net capital required in connection with the market value of short stock record differences as outlined in the following paragraph:

Pursuant to the provisions of the third paragraph of Rule 325, we are imposing a special capital requirement that until such time as your stock record differences remaining from your September 6 count are resolved, your firm must maintain excess net capital equal to the following percentages of the short market value thereof:

30% beginning October 31st
45% beginning November 30th
60% beginning December 31st
80% beginning January 31st
100% after February 20th.

The enclosures submitted with your letter mentioned the steps that have been taken to resolve your problems and outlined the work plan for the immediate future but did not, as we had requested, mention a realistic schedule for accomplishing your plans. Since you have had several weeks to plan, you should now be in a position to furnish us with an objective schedule. Please submit such a schedule promptly and, also, advise us of the progress being made in introducing additional capital to your firm.

Very truly yours,

/s/ ROBERT M. BISHOP

Robert M. Bishop
Vice President

GHNewman:am

accounting firm by the name of David Berdon & Co., and was among other things an acknowledged expert in tax matters. I think any description of Mr. Dworkin as unsophisticated is not warranted.

With respect to Dr. Shulman, he had been an investor and a speculator in the market for a considerable period of time. Dr. Philip Shulman did not acquire his net worth as a result of a lack of sophistication, and in fact it was perhaps due to Dr. Philip Shulman's sophistication that he became an investor in Newburger, Loeb & Co., because of the seemingly safe investment indicated by the then current state of the stock market. And, remember I am talking about December, 1968. Had Newburger, Loeb's investment not in any way failed him -- and very probably will not fail him -- it will probably stand as a coup on his part because of what happened to his other investments; those that he did not sell in order to become a partner of Newburger, Loeb & Co., which was a fright.

Q. Mr. Gross, explain what did happen at Newburger, Loeb & Co. to cause its near collapse.

A. Newburger, Loeb found itself confronted with a massive back office loss; a loss, I believe, that was slightly in excess of $2 million; this loss resulting from apparent mismanagement as early as 1967 and as late as July, 1969 when, immodestly I might add, I became managing partner and the back office of Newburger, Loeb & Co. was finally put into shape. I think we detailed at our previous session the unsuccessful effort to convert accounts of Newburger, Loeb & Co. That coupled with a precipitous drop in business, as was endemic to Wall Street in the spring and summer of 1970, contributed to our operational losses. Because, mind you, we had to pay money, considerable money in extra time and effort to clean up the back office. We had, before we got to properly doing it, to pay considerable monies to the self-styled management consultant experts of Peat, Marwick, Mitchell & Co., which monies, I believe, were well in excess of $100,000 or, perhaps, $150,000. And the other thing that contributed to your new phrase of "near collapse," were a series of judgments made at the end of 1969 and the beginning of 1970 by Newburger,

Loeb & Co. as to our future in the business. We had much optimism for 1970 as we thought we had weathered the storm. We knew that our back office was in good shape and could process any amount of business. But then, 1970 came, and it came with -- it was ushered in, if you will, with an embezzlement which was followed, if you will, by a criminal fraudulent series of security transactions that are now the subject of grand jury investigations. This coupled with some other errors of judgment -- I think we lost perhaps a hundred or hundred fifty thousand dollars in our efforts to syndicate the NBA franchise -- drained our capital. Our capital was, of course, further drained by those securities that were held in the accounts of, principally, limited partners and subordinated lenders, and the action of the market on those securities.

I think, Mr. Dilger, that encompasses my best answer to your question.

Q. Concerning these matters of misjudgment or bad judgment, was this the judgment of the executive

committee or an individual or individuals, or just what?

A. Mr. Dilger, I think you are familiar with Newburger, Loeb & Co. at this point, perhaps much more so than I am. I think you are also familiar with the gentlemen who were important principal partners when I entered Newburger, Loeb & Co. I think it can be fairly stated that until the latter part of 1969 all of these judgments that I mentioned and that you referred to were group judgments, but I think it can further be fairly stated that I, perhaps, among them was the only one who felt -- Strike "who felt" -- who was willing to take any actions, and it can best be described by my stating to you that most of the executive meetings, which meetings were religiously held, were in a fair measure dominated by me, not by my need to dominate but rather by the placidity of the other partners.

As we expanded, membership in the executive committee included Mr. Frank at times, Mr. Settel at times, Mr. Therese at times, and then Mr. Settel permanently; Messrs. Roggenburg, Richard Stern, Edward Holt, Harold Richards, et al; and our executive committee

Newburger, Loeb & Co.

2ND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 (212) 944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street
920 Flatbush Avenue at Church Avenue (Brooklyn)

PLAINTIFF'S EXHIBIT 69.

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

October 16, 1969

E 192

Mr. Robert M. Bishop
New York Stock Exchange
Department of Member Firms
4 New York Plaza
New York, N.Y. 10004

Dear Mr. Bishop:

In response to your recent inquiry regarding our schedule to clear up those security differences resulting from our "count" of September 5, 6, 7, 1969, I am pleased to report that, at this time, our short-side differences have been reduced to below $4-million. We anticipate (1) that these differences should hopefully aggregate less than $3-million at the time of our October 31 Operations Questionnaire; (2) that by November 30, we will have remaining only those which can be classified as "hard core"; and (3) that these remaining differences will be resolved by December 31, 1969.

In reference to the raising of additional capital, we have filed the necessary papers with the New York Stock Exchange for the approval of two new subordinated lenders and have taken steps to qualify the Newburger. Loeb Profit Sharing Trust as a subordinated lender. These two sources should increase our capital by approximately $800,000 and our "good" capital by approximately $600,000.

We hope that the information contained herein meets the requirements of your recent letter.

Very truly yours,

Newburger, Loeb & Co.

By: Charles H. Gross
Charles H. Gross,
Managing Partner

CHG/mb

cc: Mr. G.H. Newman

SUB PKF

PLAINTIFF'S EXHIBIT 70.

October 23, 1969

NEWBURGER, LOEB & CO. E 193

The firm was originally restricted on June 28, 1968 as a result of operational problems (stock record differences - books and records out of balance) uncovered by their annual audit.

The restrictions were lifted June 27, 1969 as a result of the progress indicated on Special Operations Questionnaires and MF-6 reports from the firm. New restrictions were imposed on September 15, 1969 as a result of information discovered during Exchange examiner's visits. This information contrasted with recent answers to the firm's Special Operations Questionnaires—the main area of weakness was again stock record. The firm discovered these inadequacies after the release of their operations manager. change!

The firm's capital position as of September 20, 1969 is as follows:

Aggregate Indebtedness	$42,356,000
Net Capital	4,222,000
Capital Ratio	1,003%
Firm Committments	6,388,000
Net Worth	8,463,000
Capital Requirement	2,118,000
Excess Net Capital	2,104,000

Stock record count as of September 6, showed a short market value of $13,393,037.

E 194

The firm has been told it must maintain excess net capital in the following percentages of short market value stock record differences:

30% for differences remaining after October 1st.

45% for differences remaining after November 30th.

60% for differences remaining after December 31st.

80% for differences remaining after January 31st.

100% for differences remaining after February 28th.

The firm's weekly report as of October 16, showed differences below $4. million. The firm feels that by the end of October short differences should aggregate $3. million, and by November only "hard-core" items will remain. These will be resolved by December 31st.

The firm proposes to admit two persons and the Newburger, Loeb Profit Sharing Trust as subordinated lenders. This would increase their capital by about $800,000.

Losses: Overall for 6 months of the year - $14,946
Security Commissions: $518,858.

P.H.F.
G.H.N.

NEWBURGER, LOEB & CO.

MINUTES

PLAINTIFF'S EXHIBIT 71.

Executive Committee Meeting, December 4, 1969, 3:00 p.m.

Present: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Edward R. Holt
Richard D. Stern
John F. Settel

E 195

1. It was agreed, after some discussion, that a restructuring of commission rates, following the schedule suggested by Charles Gross, be instituted as of the first day of the new business year. Notification of this change will be accompanied by a letter covering a group contributory insurance plan and the improved profit sharing plan. It was also decided that there would be an upward revision of interest rates on debit balances to be effective starting the first of the year. Charles Gross and Robert Newburger will meet with branch office managers on Thursday, December 11, at 4:00 p.m., to discuss these subjects.

2. We decided that we would form an entity called Bracker/NL Associates, owned 50% by Bracker and 50% by us. This Association to be a West Coast deals facility. Bracker's commission business to be an integral part of our normal California brokerage operation. The Organization will be physically located in the Beverly Hills building owned by Bracker. One-third of the rent, figured on an annual escalation basis, to be paid by the Association and the remainder to be paid by Newburger, Loeb & Co. Bracker will become a partner of Newburger, Loeb & Co. All the above is naturally subject to our Counsel and his Counsel being able to work out feasible details with each other and the New York Stock Exchange.

3. Charles Gross' seat on the New York Stock Exchange is to be transferred to Newburger, Loeb & Co. at $325,000. Charles Gross is to get the benefit of any rise during the calendar year of 1970 with a ceiling of $400,000. Newburger, Loeb & Co. will ~~then~~ A. B. C. the seat. At the moment, Phil Pruit is being considered as a possible user of the seat. Others will also be considered. We will attempt to find a properly qualified Black for this position before looking elsewhere.

4. Richard Stern will discuss with Arthur Moll Judd Golenbock's idea on the profit sharing plan; i.e., rifle rather than shotgun.

E 196

PLAINTIFF'S EXHIBIT 71.

5. Charles Gross recommended a recapitalization plan for Newburger, Loeb & Co. Basically, it involves the distribution of "points" at the discretion of the Executive Committee at $25,000 a point. This money to be considered as non interest bearing capital. Capital held by a partner over and above the allotted point amount is to be considered either excess capital or subordinated loan bearing interest at the same rate we pay our limited partners. A certain percentage of earned income from point capital is to be retained by the firm.

The thought was expressed that this plan would help pave the way in an orderly fashion for incorporation, would help build up our capital and protect the firm against death or departure of any current partner, and would put us in a better position to attract desirable outside talent. The various problems, advantages and disadvantages were discussed at length. It was decided that, if such a plan be implemented, it would be wise to implement it at the time we take in our new partners. In order to do that, we must act promptly. Therefore, it will be the main topic of our next Executive Committee meeting and every effort that we can make will be made to come to a decision by 5:00 p.m. on Friday, December 12.

Meeting adjourned around ninish.

December 5, 1969
RLN/mb

MINUTES

PLAINTIFF'S EXHIBIT 72.

Executive Committee Meeting, January 20, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

E 197

1. Charles Gross reported tentative figures for 1969 based on figures compiled by our outside accountants (Berkowitz). The loss is approximately $1,230,000. This includes approximately $750,000 for partners' salaries and $500,000 for interest on partners' capital. We should be able to make an impressive improvement in the expense factor this coming year. In 1969, overtime amounted to about $300,000, agency fees $44,000, and temporary help $95,000. It is felt that we should be able to cut these costs down by at least $250,000 in 1970. There is also the feeling that the general payroll will be reduced. It is also hoped that our new schedule for interest on customers' debit balances should pick up between $175,000-$200,000. Another big item of expense in 1969 was floor brokerage. Of this amount, the use of Charles Gross' seat in 1970 should save us approximately $100,000. We had hoped that the profits from the underwriting of Computer Software Systems would go into 1969; however, it will be in 1970 and the gross profit after salesmen's compensation appears to be between $175,000-$200,000.

2. Robert Stern reported on Operations. Our S.O.Q. for December 31, 1969 went to the Exchange on Friday, January 16, 1970. We also sent the Exchange a status report as of January 19, 1970. It showed $398,000 long differences and $693,000 short differences. The Geronimos-Mullarkey team, in their inspection of the 28th Street accounts, is finding that not much money has been incorrectly credited but is, on the other hand, finding a reasonably large amount of securities improperly credited.

3. It appears that Dick Miles needs help. Bob Stern will work this problem out with him.

4. Bob Stern reported on the work of the ad hoc compliance committee. In connection with the work of the committee, Ric Shearer has written two memos -- one dealing with discretionary accounts, and the other with non-Newburger, Loeb recommendations. Copies of these two memos are attached and should be studied for discussion at our next Executive Committee meeting.

E 198

5. Beverly Hills came on stream (really a trickle) last Friday.

The application for Joe Searles to the New York Stock Exchange was submitted yesterday, January 20, 1970.

7. It appears that McCourt is on the way out. Charles Gross, Jim Settel and Robert Newburger, consulting with Ric Shearer, will handle the termination and replacement if advisable.

8. The Committee on partners' salaries meets with Arthur Moll this coming Friday, January 23, 1970.

Meeting adjourned.

January 21, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, January 27, 1970, at 3:30 p.m.

M E M O R A N D U M

PLAINTIFF'S EXHIBIT 73.

January 26, 1970

E 199

Newburger, Loeb & Company

After discussions between G.H.N. and F.J.S. it was determined that Newburger, Loeb be relieved of Exchange restrictions.

P.H.F.

Pgs. 200, 201, 202

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PLAINTIFF'S EXHIBIT 77.

E 203

March 24, 1970

Mr. Charles H. Gross
Newburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Dear Mr. Gross:

As mentioned in our letter of March 11, 1970, to your Mr. Therese, the Exchange is concerned with your firm's capital position. This concern is greatly increased as we note your capital ratio of 1,497% and a 2 month net loss of $222,064 reported on your February Special Operations Questionnaire.

As soon as possible, and certainly no later than April 6, 1970, we would appreciate your advise as to what is contemplated in the way of introducing new capital to the firm and what plans, either in the form of new business or in cost reduction, the firm has to stem its losses. It would appear that, unless the firm can drastically reduce or eliminate these losses, in a relatively short period of time, your excess net capital will severly be depleted.

Very truly yours,

Paul H. Fitzgerald
Assistant Coordinator

PHFitzgerald:mat

GER, LOEB & CO.

MINUTES

PLAINTIFF'S EXHIBIT 78.

utive Committee Meeting, Thursday, March 26, 1970, 12:00 p.m.

esent: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel

Absent: Robert L. Newburger
Jack Schafer

E 204

1. Operations Partner's Report: Robert Stern stated that our loans were up slightly at $20-million. Our fails are presently in good shape. He said that the one-half percent reduction in the prime rate instituted by the banks on March 25 would be passed along to our margin customers as soon as ACS could process this. The exact date is not known, but it will probably be effective Monday, March 30.

2. Corporate Finance: Jim Settel said that EduWorld is scheduled for Tuesday, March 31 and that all efforts are being pressed to make it a successful offering. He announced that Vic Berlin is resigning to go to Herzfeld & Stern and that Dick Matson will fill Vic's job in the Syndicate Department for the time being. We are looking for a girl who would be qualified to help Dick in this department. Dick Matson's arrangement is salary plus commissions.

3. Managing Partner's Report: Charles Gross stated that a private placement memo on our Buffalo Basketball venture, New Loeb Sports Enterprise, is being prepared and should be available shortly for carefully rationed distribution.

Charles Gross is discussing with Haberman Brothers what proper increased charge will be put on their trades. A charge double the present one for clearances would probably be effected on this account in addition to our other clearance accounts; i.e., Bacher & Roberts, Donald Dryfoos, Al Adelman and Perlberg, Monness, Williams & Day.

Charles Gross is talking to new parties regarding subordinated capital. We will now pay 3% on value of securities in new subordinated accounts and will pay 4%, the N.Y.S.E. limit, where indicated on occasion. Securities accounts held by partners should be converted to cash in order to give greater value to these accounts for capital purposes.

4. After investigating the possibility of relinquishing the One New York Plaza lease, it was decided that, under the present real estate conditions, the financial penalty for this would be too great to warrant such change in plans and, for the time being, it was determined to proceed toward occupation of the space.

Meeting adjourned

March 26, 1970
AMN/mb

79

PLAINTIFF'S EXHIBIT 79.

E 205

March 26, 1970

Newburger, Loeb & Co.
5 Hanover Square
New York, N. Y. 10004

Attention: Mr. Charles H. Gross

Gentlemen:

I am pleased to advise you that the Board of Governors at its meeting today approved your application to admit Mr. Lewis A. Bracker as an allied member of the New York Stock Exchange and a generalppartner of your firm, effective March 26, 1970.

Very truly yours,

PLAINTIFF'S EXHIBIT 80

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

HANOVER SQUARE, NEW YORK, N.Y. 10004 (212)944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
920 Flatbush Avenue at Church Avenue (Brooklyn)
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
2366 Broadway at 86th Street

PLAINTIFF'S EXHIBIT 80.

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

April 6, 1970

E 205A

Mr. Paul H. Fitzgerald
Department of Member Firms
New York Stock Exchange
4 New York Plaza
New York, N. Y. 10004

Dear Mr. Fitzgerald:

I regret not having answered your letter of March 24, 1970 sooner, but it was necessary for me to be in California this past week. We, of course, are well aware of our current losses and their effect on our net capital reserves.

In response to your inquiry as to what steps we have taken -- or contemplate taking -- to reverse the trend of the first two months and to raise additional capital, we respond as follows:

1. Partnership payroll was reduced by $215,000 annually on March 1, 1970.

2. Interest paid to partners on their capital was reduced by approximately $175,000 annually on March 1, 1970.

3. Procedures have been tightened to effect a considerable saving on floor brokerage expense.

4. Personnel costs have been reduced through layoffs and normal attrition besides the curtailment of overtime.

5. We plan to discontinue our Brooklyn office, transferring its best producers to other locations.

6. The location loss sustained by our California offices during January and February exceeded $63,000. This loss should be rapidly diminished and reversed.

PLAINTIFF'S EXHIBIT 80.

E205B

7. Perlberg, Monness, Williams & Sidel commenced clearing through Newburger, Loeb & Co. on March 30, 1970. At current volume levels, we estimate an additional fifteen to twenty thousand dollar monthly profit from this association.

8. The interim $15 service charge should add a minimum of $50,000 monthly to our income -- and possibly fifty to one hundred percent more.

9. Newburger, Loeb & Co. is actively seeking new producers and anticipating an increase in other fees, such as underwritings, private placements, etc.

10. We anticipate raising approximately $1,000,000 in subordinated capital within the next month. This capital will be in the form of customers subordinating their accounts. ✓

11. Security capital of general partners will be either liquidated or added to so as to provide about $300,000 in additional "good" capital. ✓

12. General partners of Newburger, Loeb & Co. anticipate in excess of $250,000 in refunds of prepaid taxes for 1969, which funds will be added to their respective capital accounts. ✓

13. General partners of Newburger, Loeb & Co. anticipate large refunds of taxes paid in prior years due to 1969 losses.

14. Insurance claims totalling $170,000 are currently outstanding and collectable.

As you can readily see from the above, profitability should be enhanced by our various cost-cutting measures and by the inclusion of our projected new business in our income figures. (At this time, we can process additional business at negligible extra cost.) Also, we project additional "good" capital in excess of $1,500,000 -- more than fifty percent of which will be general partnership capital -- in the foreseeable future.

NEWBURGER, LOEB & CO. PLAINTIFF'S EXHIBIT 80.

E205C

I hope that the foregoing satisfactorily answers your inquiry.

Very truly yours,

Newburger, Loeb & Co.

By: Charles H. Gross
Charles H. Gross,
Managing Partner

CHG/mb

F-Q
G-F-B-

PLAINTIFF'S EXHIBIT 81.

MEMORANDUM

May 11, 1970

E 206

Newburger, Loeb & Co.

At 3:30 p.m. Messrs. Gross, Stern, Newburger and Therese met with Messrs. Fitzgerald and Newman to discuss the firm's capital ratio and current loss. ✓

A report as of March 26th, indicated a ratio of 1,404% with excess net capital of $741,416 and a three month loss of $358,331. It was estimated that the overall loss for the month of April would be approximately $222,000.

When asked what steps have been or would be taken to reverse the loss trend and reduce the capital ratio, we were told that the firm had just submitted and received emergency approval for the subordinated account of Geza and Kinko Polaty, the net effect which would increase capital by $253,000. ✓

When asked whether there were any particular large blocks of securities in proprietary accounts, we were told that the only block is 30,000 shares of City Investing, which at May 11th, had an approximate market value of $420,000. To further elaborate what the firm is contemplating in way of reversing its loss trend and raising additional capital, we were told that:

1) The partnership payroll was reduced by $215,000 annually on March 1, 1970.
2) Interest paid to partners on their capital was reduced by approximately $175,000 annually on March 1, 1970.
3) Personnel costs have been reduced through layoffs and normal attrition besides the curtailment of overtime.
4) Plans are being made to discontinue the Brooklyn office, transferring its best producers to other locations.

PLAINTIFF'S EXHIBIT 81.

E 207

5) The loss sustained by the opening of the two California offices during January and February exceeded $63,000. This loss should be rapidly diminished and reversed.
6) Perlberg, Monness, Williams & Sidel commenced clearing through Newburger, Loeb & Co. on March 30, 1970. The firm estimates an additional $15-20,000 monthly profit from this association.
7) The firm estimates that the interim $15.00 service charge should add a minimum of $50,000 monthly to their income. During the month of April $24,800 was realized as a result of the surcharge and for the month of May $44,300 had been realized.
8) The firm is actively seeking new procedures and anticipates an increase in fees such as underwritings, private placements, etc..
9) The firm anticipates raising approximately $1,000,000 in subordinated capital within the next month. This capital will be in the form of customers subordinating their accounts.
10) Security capital of general partners will be either liquidated or added so as to provide about $300,000 in additional "good" capital.
12) General partners of Newburger, Loeb & Co. anticipate in excess of $250,000 in refunds of prepaid taxes for 1969, which funds will be added to their respective capital accounts.

At the conclusion of the meeting the partners were told that they could expect to receive a letter from the Exchange advising the firm that the Exchange should be advised of any potential capital withdrawals.

G.H.N.

PLAINTIFF'S EXHIBIT 81

E 208

Reg Q

Schlumberger, Ltd & Co

April 26, 1970

NET WORTH	5.412.907
NET C.A.	2.657.975
REQ.	1.812.014
~~EX.~~ NET C.	(693,089)
RATIO	—
NON EX. TO	
EX. NET C.	—

C/

3624280

7:1

1118925

K

32397

L - Various

6130000

The above capital position although reflecting a credit balance in all capital categories (other than deficit in the various positions listed):

Net assets covered by insurance claims - valid claims collectible within 30 days -

696[illegible]

Assets restricted - awaited against insurance company (Amount of the loss was collected in part and shall not have been depleted) - Total all items -

5000

[illegible]

4/27/70

MEMORANDUM

PLAINTIFF'S EXHIBIT 83.

June 17, 1970

E 209

Newburger, Loeb & Co.

After being informed by the examiners of their analysis of Newburger, Loeb's audited financial questionnaire as of April 24, which showed a ratio of 1,990%, I called the firm relative to their current capital position.

Robert Stern advised as of 5/29 that the capital position of the firm was as follows:

Aggregate Indebtedness	$35,671,564
Net Capital	2,007,285
Ratio	1,778%
Excess Net Capital	223,711
Net Worth	4,616,504 (including subordinated borrowings of $1,363,000
Commitments	4,558,707

Robert Stern further advised that based on changes since May 29, which included receipt of tax refunds and liquidations in City Investing stock, he estimates that the capital ratio today is approximately 1,635% and that with further refunds, liquidations and elimination of errors in the firm's favor that by the end of June the ratio will be about 1,500%.

In further discussions with Mr. Charles Gross, managing partner, it was learned that the firm is now operating in the black as a result of their California operation and that he does not expect market declines to effect the firm's capital position in the near future. Also, the firm is actively engaged in discussions with a small firm whom they quite possibly will merge with. This firm carries an aggregate indebtedness of about $8,000,000 and will bring in net capital of about $1,000,000. They hope to have entered into an agreement with this firm by the end of next week.

They are also talking with an individual member who now introduces to the firm who they contemplate having join Newburger, Loeb as a general partner contributing approximately $400,000 in capital plus $300,000 in limited capital. This arrangement, they also hope to have formalized by the end of next week.

E 210

Mr. Gross and Mr. Robert Therese indicated that if things get desperate they were certain that sufficient additional capital could be raised from inside sources, but they would rather not do this as they are trying to build a new and strong firm getting away from old line family firm.

P.H.F.

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 (212) 944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
1900 Ave. of the Stars, Los Angeles, Calif.
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
920 Flatbush Ave. at Church Ave., Bklyn.
110 N Doheny Dr., Beverly Hills, Calif.

PLAINTIFF'S EXHIBIT 85.

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

July 15, 1970

E 211

Mr. George H. Newman
Department of Member Firms
New York Stock Exchange
4 New York Plaza
New York, New York

Dear Mr. Newman:

Pursuant to our conversation last week, I'd like to confirm in writing some of the various measures being taken by Newburger, Loeb & Co. to pare its expenses and better its capital position:

1. Clerical and Administrative payroll, including the accompanying fringe benefits, has been reduced by approximately twenty-four thousand ($24,000.00) dollars per month.

2. Partners payroll has been reduced by twenty thousand ($20,000.00) dollars per month.

3. The elimination on July 31st of our corporate finance subsidiary at 110 North Doheny Drive, Beverly Hills, California and the elimination of our branch office at the same address should effect monthly savings of between fifteen and twenty thousand ($15 - 20,000.00) dollars.

4. The opening of a new branch office at 250 Park Avenue, New York City, and the consolidation of our branches at twenty-eight Street, fifty-seventh Street and seventy-fourth Street into the new office should not only result in an absolute saving of money, but should enhance our ability of attracting new, quality producers.

5. Further general economies should realize approximately ten to fifteen thousand ($10 - 15,000.00) dollars per month in savings plus whatever can be gained from the sub-leasing of space not currently needed.

RECEIVED

JUL 16 1970

G. H. N.
MEMBER FIRMS

PLAINTIFF'S EXHIBIT 85.

Mr. George H. Newman

E 212

July 15, 1970

6. Within the past week, partners of Newburger, Loeb have received in excess of one hundred ten ($110,000.00) dollars in tax refunds, which money has been deposited with the firm.

7. On or before July 31st, Newburger, Loeb will be free to sell one of its New York Stock Exchange memberships and intends to do so.

I trust that the above information will be helpful to you.

Very truly yours,

NEWBURGER, LOEB & CO.

By: Charles H. Gross

Charles H. Gross
Managing Partner

CHG:raf

PLAINTIFF'S EXHIBIT 86.

E 213

July 24, 1970

Mr. Charles H. Gross
Newburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Dear Mr. Gross:

Enclosed are copies of the censure administered to you and to Mr. Robert Stern as representatives of Newburger, Loeb & Co. by the Board of Governors at its meeting held on July 23, 1970.

Copies of this censure should be placed in the hands of each capital contributor of your firm. Please confirm in writing when this has been done.

The firm's check in the amount of $50,000 should be made payable to the Treasurer, New York Stock Exchange, 11 Wall St., New York, New York, 10005, and should be remitted within 45 days of the Board's action as prescribed by Article X, Section 5 of the New York Stock Exchange Constitution.

Sincerely,

(Signed) Robert M. Bishop

Robert M. Bishop
Vice President

PHFitzgerald:mat
Enclosure

NEWBURGER, LOEB & CO

PLAINTIFF'S EXHIBIT 87.

AGENDA - EXECUTIVE COMMITTEE MEETING AUGUST 11, 1970

NOTE: Executive Committee will meet at 4:00 p.m.

E 214

1. Reading of last meeting's minutes.

2. Old business --

   a. N.B.A. - Fred Kayne
   b. Real Estate - Fred Kayne
   c. Insurance - Charles Gross

3. New business --

   c. Report by Fred Kayne --
      1. Major changes already affectuated
      2. Major changes contemplated
   b. Notice of fine to capital contributors
   a. Assignment of vested interest in "paper" accumulated since 1/1/69

August 11, 1970
RLN/mb

...ER, LOEB & CO. PLAINTIFF'S EXHIBIT 87.

MINUTES

Executive Committee Meeting, Tuesday, August 11, 1970, 4:00 p.m.

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Fred Kayne
Robert F. Therese
Ned D. Frank

Absent: John F. Settel

E 215

The Minutes of the prior meeting were read and accepted with the following correction -- Andrew M. Newburger is alternate specifically for Robert L. Newburger, Charles S. Sloane is alternate specifically for Fred Kayne, and Leo Stern is alternate specifically for Robert L. Stern.

OLD BUSINESS

1. Fred Kayne spoke about the N. B. A. situation. He has asked Jim Settel to devote himself almost exclusively to this project. We are moving full speed ahead towards an intra-state underwriting for approximately 40%. It appears that we may well be co-underwriters with S. D. Lunt & Co. in Buffalo and Bonbright & Co. in Rochester. We will more than likely act as managing underwriter. Concurrent with the underwriting project, we will seek to find a buyer or buyers, investor or investors for the remaining 60% of the franchise.

2. Real Estate: Fred Kayne mentioned that a study has been made on our Real Estate commitments to facilitate our strategy for disposal. We are about to close rental of the 74th Street office momentarily. Our big thrust in Real Estate is to remove our commitment for One New York Plaza. A conference was held with Golenbock & Barell in order to assess our position. Said conference was apparently most unsatisfactory. It was decided that we should research the possibility of retaining the services of a specialized Real Estate counsel in this matter.

3. Insurance: Charles Gross reported that his visit to the Great American Insurance Company to negotiate a Broker's Blanket Bond was unsuccessful.

E 216

NEW BUSINESS

1. Assignment of vested interest in "paper" accumulated since 1/1/69: It was decided that interest in "paper" is the property of each general partner in relationship to his interest in the profits and losses of the firm at the time the "paper" was earned not at the time it will be disposed of.

2. Notice of fine to capital contributors: The New York Stock Exchange requires that a copy of its censure of Newburger, Loeb & Co. be placed in the hands of all capital contributors. Charles Gross and Robert Newburger were given the responsibility to implement. ✓

3. Major changes already effectuated: Fred Kayne discussed certain positions of responsibility as set forth in attached Exhibit A.

4. Fred Kayne spoke on various matters --

   a. He discussed various management tools that are being brought to bear.

   b. He pointed out that Ned Frank, as Partner of Compliance, is to take over the Tepper matter and the handling of unsecured debits.

   c. He mentioned that a substantial producer of Mutual Fund business has been secured for 250 Park Avenue. This particular Account Executive sold $9-million worth of mutual funds in 1969 -- $2-million so far this year.

   d. He reported that the raw figures for July show a loss of $110,000-$130,000. This results from dramatically falling revenues. Fred spoke in general about our future cash requirements. Our program must be to improve revenues and to continue cost production. We are attempting to renegotiate our agreement with ACS.

5. Charles Gross resigned the position of "Managing Partner". ✓

6. Fred Kayne was appointed Managing Partner.

Meeting adjourned.

August 12, 1970
RLN/mb

PLAINTIFF'S EXHIBIT 92

Minutes of Exec. Comm. Meeting 10/16/70

(This Exhibit was marked at the time of trial for identification only and was not admitted into evidence.)

PLAINTIFF'S EXHIBIT 92

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

LANOVER SQUARE, NEW YORK, N.Y. 10004 (212) 944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
1900 Ave. of the Stars, Los Angeles, Calif.
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
920 Flatbush Ave. at Church Ave., Bklyn.
110 N Doheny Dr., Beverly Hills, Calif.

PLAINTIFF'S EXHIBIT 92.
E 217

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

MINUTES OF THE EXECUTIVE COMMITTEE MEETING OF OCTOBER 16, 1970

The Executive Committee Meeting commenced at 12:20 p.m. with the following in attendance:

Messrs:
- Ned D. Frank
- Fred Kayne
- * Andrew Newburger
- Robert Newburger
- John Settel
- Robert Stern
- Robert Therese

* Alternate Member

Andrew Newburger, Robert Newburger and Robert Stern recorded an objection to the lack of notice given for the Executive Committee Meeting.

Fred Kayne noted that Robert Persky is not present at todays meeting because of Robert Newburger's request. Fred Kayne requested a review of the agenda.

Old Business:

1. Tax assignments and deficits: Fred Kayne reported that Robert Persky is still investigating the course of action that the partners should take regarding tax assignments and deficits. Mr. Persky will probably have his recommendation at the next Executive Committee Meeting.

2. Louis Bracker: An arbitration against Louis Bracker is to be instituted.

3. Back-office Losses: Fred Kayne proposed that Robert Therese be responsible for cash flow and recovery of 1970 conversion problems. Ned Frank and Robert Stern, acting as a committee, are to offer a proposal for 1968 - 69 recoveries, allocations of cost and time table problems at a future Executive Committee Meeting.

PLAINTIFF'S EXHIBIT 92.

E 218

New Business

1. Proposed Basketball Team Sale: John Settel distributed attached memo outlining the terms of the proposed sale.

Fred Kayne presented a resolution to the committee:

That the Executive Committee unanimously ratify all the actions and negotiations and documents related to the basketball team; and that the Executive Committee empowers John Settel to proceed and close the deal with Paul Snyder and make any necessary revisions and negotiations as he sees fit.

A vote was taken resulting in a unanimous yes.

2. Replacement for Charles Gross on the Executive Committee: Fred Kayne made a motion that Charles Sloane be appointed to the Executive Committee as the seventh member on a permanent basis. Motion seconded by Robert Therese.

Robert Newburger suggested that Andrew Newburger be added to the Executive Committee.

Ned Frank made a motion to end discussion and to vote on the motion. Robert Therese seconded the motion.

In favor: Messrs. N. Frank, F. Kayne, J. Settel, R. Therese
Opposed: Messrs. Robert Newburger, Robert Stern
It is noted that the reconstitute vote was not against Stern but against addition to Committee
Motion defeated as unanimous vote required on this motion.

3. New Branch Manager - Main Boardroom: Fred Kayne announced that Stanley Slobodien has been employed in the above position.

4. Charles Gross as a Registered Representative of Newburger, Loeb: The Executive Committee agreed to allow Charles Gross to be a Registered Representative for Newburger, Loeb. Depending upon the ruling of the Basketball Partners Robert Papers Voting Sale the Basketball Partners 10 will be prohibited

5. Interest on excess capital: Ned Frank presented a memorandum to the Executive Committee in regard to interest on excess capital. A motion is to be presented on this at the next Executive Committee Meeting.

6. Other Matters

a. Fred Kayne distributed a balance sheet as at September 25, 1970. A copy is to be forwarded to Robert Newburger's lawyer.

b. John Settel moved that Fred Kayne be made Chairman of the Executive Committee, in addition to his duties as Managing Partner. Motion

E .219

seconded by Robert Therese.

In favor:	Messrs: N. Frank, F. Kayne, J. Settel, R. Therese
Opposed:	Mr. Robert Newburger
Abstained:	Mr. Robert Stern
Results:	4:1:1 in favor

Fred Kayne is the new Chairman of the Executive Committee.

c. Robert Therese recommended the seating arrangement of the 8th floor at 5 Hanover Square be reviewed by a committee. Fred Kayne appointed a committee consisting of Robert Newburger, Robert Therese and John Settel to review the seating arrangement.

d. At Andrew Newburger's request, Fred Kayne reviewed the office space at Century City.

e. The Option Department is to be the responsibility of the Board Room Manager.

Meeting adjourned.

PLAINTIFF'S EXHIBIT 92.
ADDENDUM TO THE
EXECUTIVE COMMITTEE MEETING MINUTES
OF OCTOBER 16, 1970

E. 220

Addition to page 1, paragraph 3 regarding Robert Persky's absence at todays meeting, Robert Newburger stated for the record that the reason for his request was that he felt it was a needless expenditure of money.

Addition to topic 2, under New Business, page 2, as last paragraph: Mr. Robert Newburger stated for the record that he was not in actuality voting against Charles Sloane, whose ability he certainly does not denigrate; but rather, was voting that the committee not be expanded at this time and that if it be expanded, that Andrew Newburger be returned to the Committee.

Addition to topic 4, under new business: The Executive Committee agreed to allow Charles Gross to be a Registered Representative for Newburger, Loeb, providing that he sign a proper document assuring that the contractual rights of Newburger, Loeb in relation to Charles Gross would not be prejudiced.

PLAINTIFF'S EXHIBIT 97.

Newburger, Loeb & Co.

Members New York Stock Exchange · American Stock Exchange
SOUND INVESTMENT SERVICE SINCE 1899

OFFICES
NEW YORK
LOS ANGELES

5 HANOVER SQUARE · NEW YORK, N. Y. 10004 · (212) 944-6300

December 17, 1970

PLAINTIFF'S EXHIBIT 97.

E 221

Mr. William Dilger
Department of Member Firms
New York Stock Exchange
4 New York Plaza
New York, N. Y.

Dear Mr. Dilger:

As per our telephone conversation of yesterday afternoon, you will find enclosed a written plan of the reorganization of Newburger, Loeb & Co., a Partnership, into Newburger, Loeb & Co., Inc., a Corporation, to take over and continue the going business of its predecessor.

Very truly yours,

NEWBURGER, LOEB & CO.

By: Robert L. Newburger
Robert L. Newburger, Partner

RLN/mb
Encl.

PLAINTIFF'S EXHIBIT 97.
CONTINGENCY PLANS
NEWBURGER, LOEB & CO.

E 222

Two major alternatives face Newburger, Loeb & Co. -- remain in business or go out of business in an orderly fashion. This memorandum details a plan that has been advanced for staying in business and outlines the major steps to be taken if the firm is to go out of business. Clearly, in both cases, these are plans that may be adjusted to meet particular needs that may arise.

REMAIN IN BUSINESS

Paul D. Risher and Robert A. Muh have led the development of a program that would enable Newburger, Loeb to again become a viable entity. There are three main elements in this program: (1) Agreement with the present partners of and lenders to the firm; (2) Additional capital; (3) New management. The sections that follow discuss each of these elements.

Agreement with Partners & Lenders

The keystone of developing new arrangements with partners and lenders has been the Limited Partners since continuing the planned withdrawal of the capital of several of them would have precipitated a "capital squeeze" for Newburger, Loeb. Therefore, a meeting was held with the Limited Partners during November. They were asked to act jointly and agree not to withdraw their capital for at least one year. (The N.Y.S.E. gave a one month extension to their November directive in order that the Limited Partners have time to consider the alternatives.) In the ensuing time, principally through the efforts of Messrs. Risher and Muh, a committee of lawyers representing the Limited Partners tentatively agreed to accept the following arrangement.

Limited Partners would receive a convertible debenture in a new corporation to be formed and called: Newburger, Loeb and Co., Inc. The face amount of the debentures would equal the value of each Limited Partner's account on November 30, 1970. (The Estate of Morris Newburger would make an adjustment still to be determined to reflect its share of past back-office losses). The total value of such notes will be approximately $2,000,000. The notes would collectively be convertible into shares of the new corporation at $9 - 10 per share -- or about 17% of the equity after distribution. The notes would pay interest if earned, at 2 points above the prime rate with a 9% maximum. Principal would be repayed thusly: $400,000 on December 31, 1973; $800,000 on December 31, 1974; and $800,000 on December 31, 1975.

Certain General Partners are presently in deficit to the Partnership, by an agregate amount of about $1,300,000. An Attachment shows present capital positions of individual partners and provides the pertinent information on the new corporation to be formed. Risher and Muh have asked that at least $900,000 of this deficit be made up. Tax refunds well in excess of the $900,000 should be coming to the General Partners during 1970. Arrangements are being made with each General Partner to receive an appropriate amount of his deficit such that the total capital

PLAINTIFF'S EXHIBIT 97.

E 223

Inflow sometime during 1970 will be $900,000. General Partners with positive capital positions will receive a 5% preferred stock equal to their positive capital positions (the preferred stock will pay dividends on a "when earned" basis).

Subordinated lenders whose positions amount to $980,000 totally, will be asked to extend their subordinated loan arrangements until December 31, 1973. Such loans would be senior subordinated loans. A meeting between Subordinated Lenders and the lawyers committee presenting the Limited Partners' is scheduled for December 17, 1970, wherein the subordinated lenders will be asked to extend their arrangements.

New Capital

Approximately $1,000,000 in face value of Bacardi Corporation stock (presently trading at $120 bid in the O.T.C. market) will be made available to the partnership and subsequently to the corporation as senior subordinated loans. The stock is freely traded, registered and not control stock. The owner of the stock, Mr. Angel Axilia, has met with Mr. William Dilger of the N.Y.S.E. Mr. Axilia is presently preparing the necessary documents to receive the official approval (of the N.Y.S.E.) as a subordinated lender to Newburger, Loeb. Mr. Axilia would receive 5% interest on the loan if earned, 20% of the common stock in Newburger, Loeb & Co., Inc., and the principal will be repaid on December 31, 1973.

New Management and Organization

Paul D. Risher and Robert Muh, who are presently the major owners of Risher, Muh and Co., Inc., -- a management and financial consulting firm, will become the President and Chairman of the Board of Newburger, Loeb & Co., Inc respectively. Risher, Muh and Co., Inc. will either be liquidated or merged into Newburger, Loeb.

Mr. Fred Kayne will become the Executive Vice President. He is the former Managing Partner of Newburger, Loeb. Pertinent details regarding the new management of the corporation and the past partners are shown in the Attachment.

PLAINTIFF'S EXHIBIT 97.

E 224

A Board of Directors having the following membership will be established:

A. Paul D. Risher
B. Robert A. Muh
C. Fred Kayne
D. Two representatives of the convertible note holders (former Limited Partners).
E. Two representatives of Mr. [illegible]

DISCONTINUING THE FIRM

In the event that agreement cannot be reached with the various entities above and/or the approval of the N.Y.S.E. cannot be achieved, then Newburger, Loeb stands ready to do the following in order to liquidate the firm in an orderly fashion:

1. Attempt to sell its offices as going businesses with maximum practical dispatch.

2. Resign its membership in the N.Y.S.E. and the A.S.E., offering its seats for sale at a fair price.

3. Transfer to W.E. Hutton the responsibility for all accounts in offices not sold to other firms.

4. Sell the remaining assets and pay off creditors, Subordinated Lenders, and Partners to the extent there is money available to do so.

PLAINTIFF'S EXHIBIT 97.

INTERESTS IN NEW CORP.

E 225

	Est. Capital	Common Stock	Pfd. Stock *	Owed to Corp.	Employment	
Beckowitz	—	30,000	—	1,500	Gen. Counsel	
Bracker	† 11,000		110	—	—	
Cohen	—	30,000	—	1,500	R.R.	
Conniff	(3,000)	—	—	—	—	
Frank	2.500	15,000	—	—	R.R	
Gross	231,000	—	—	—	—	
Holt	19.000	—	190	—	—	
Kandell	—	4,000	—	200	R.R	
Kayne, J.	(1,200)	200,000	—	10,000		
Kayne. R +	—	10,000		500	Corp. fin.	✓
Langer	—	4,000	—	200	Sales Mgr.	
Muth	—	200,000	—	10,000		
McGovern	(18,100)	4,000	—	5.000	NYSE	✓
Neuberger, †	(496,000)	—	—	375,000	—	✓
Neuberger. R	(158,000)	55,000	—	150,000	NYSE	
Richards	(108.000)	4000	—	27.000	R.R.	✓
Roter	—	200,000	—	10,000		
Roggenburg, †	155,000		1500	—	R.R.	✓
Roggenburg. S	2600	4,000	—	—	R.R.	
Rubin	0	—	—	—	Order Room	
Salb	—	4,000	—	200	R.R.	
Schaffer	0	4.000	—	200	R.R.	
Schnall	(18.000)	—	—	—	—	✓
Searles	(6000)	—	—	—	—	
Seitel	(52000)	30.000	—	13.000	Sales Mgr.	✓
Stern, L	664000	—	6000	—	—	
Stern, Ri.	91000	30,000	900	—	ASE	
Stern, Ro	(420,000)	—	—	300,000	—	
Theiss	(1000)	—	—	—	Back Office Mgr.	
Thatcher	(4800)	—	—	—	—	
Weissen	—	4000	—	200	R.R.	
Sloane	(26,200)	50,000	—	25000	V.P. Sales.	
Cal. R.R's	—	20.000	—	1000	R.R	
Other -	—	40,000	—	2000	Misc	
Investors	—	220,000 NV	—	—	—	
TOTAL	136.200	1,162.000	8700	932,500		

* 100 par - conv into 5 shares common

PLAINTIFF'S EXHIBIT 97.

TERMS OF PORPOSED REORGANIZATION OF Newburger, Loeb & Co. (N.L & Co.). ✓

1. A corporation be formed immediately to assume all the assets and liabilities of N. L & Co.

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2. All necessary approvals from the New York Stock Exchange, etc. be sought as soon as possible for the transfer of assets.

3. The ownership of the corporation would be as follows:

a)	Andrew Newburger	25,000 shares
b)	Robert Newburger	55,000 shares
c)	Richard Stern	30,000 shares
d)	Robert Stern	55,000 shares
e)	John F. Settel	55,000 shares
f)	Paul D. Risher	300,000 shares
g)	Robert A. Muh	300,000 shares
h)	Other investors	180,000 shares
		1,000,000 shares

RECEIVED
DEC 9 1970
W. F. D.
MEMBER FIRMS

4. All present limited partners of N. L & Co. other than those who became limited partners in 1970 by withdrawing as general partners would become subordinated lenders to the new corporation and would receive $1,000,000 in convertible notes payable at any time within 3 years from the date of issue. The notes would pay interest at the prime rate when and to the extent earned after all interest charges. These notes would be convertible at any time within 3 years into 200,000 shares of common stock.

5. Paul Risher and Robert Muh will, on or before February 15, 1971 find an additional $1,000,000 in cash or stock for investment in the new corporation. This capital will be received through the sale of

preferred or common stock or through subordinated debt. If common stock is sold, the total equity ownership of Paul Risher, Robert Muh and these new investors will not exceed 78% as shown in (3) above. In the event this capital is not invested by February 15, 1971, Paul Risher and Robert Muh will forfeit all of their equity in the new corporation.

6. All present subordinated lenders to N. L & Co. will be invited to become senior subordinated lenders to the new corporation under basically the same terms as they are in N. L & Co.

7. Any shareholders named in (3) above that are now in deficit to N. L & Co. (including any that may be added at a later date by approval of the Corporation's Board of Directors) will be required to assign their 1971 income tax refunds, if any, to the Corporation to make up these deficits. All reasonable attempts, however, will be made by the partners to borrow sufficient funds to make up their deficits in advance of these refunds.

8. Any persons who were general partners of N. L & Co. for any portion of the year 1970 that have capital credited to their accounts at the time of the assumption of the assets and liabilities by the new corporation, other than those listed in (3) above (including any that may be added at a later date by approval of the Board of Directors) will receive $100 par value non-cumulative preferred stock, with a $5/share dividend, equal in par value to the amount of good capital left in these partners accounts. Dividends will be declared only when and to the extent earned after all other costs.

PLAINTIFF'S EXHIBIT 97.

E 228

8. (continued)

The valuation of these general partners' accounts, however, will be made after any and all necessary write-downs of assets are taken by N. L & Co. These write-downs, if any, will all be in accordance with New York Stock Exchange procedures and accepted accounting practices.

9. All shareholders listed in (3) above will be officers of the corporation and will receive a two year management contract at no less than $20,000 per year. Dismissal of any of these officers will require a vote of at least 5 of the 7 members of the Board of Directors.

10. The Board of Directors shall consist of seven members, as follows:

a) Paul D. Risher

b) Robert A. Muh

c) Two representatives of the limited partners

d) Two representatives of the new investors

e) One other person, elected by the majority of the persons listed in (3 a-g) above.

Newburger Loeb + Co

PLAINTIFF'S EXHIBIT 97.

NEW YORK STOCK EXCHANGE

MEMORANDUM

E 229

January 11, 1971

- [x] Finance Quest.
- [ ] Emp. Loan
- [ ] Add'l Loan
- [ ] Corp.
- [ ] Ins.
- [ ] Bank Corp. Off.
- [ ] For. Corp. Off.
- [ ] Central Records
- [ ] Other

TO: Messrs. Cunningham, Arning, Bishop, Stock and Larson

FROM: William Dilger

SUBJECT: Conversation with S.E.C. - Newburger, Loeb & Co.

I informed Morris Simpkin this afternoon that Newburger, Loeb's plan of reorganization was not acceptable at this time. Based on its pro forma financial statement, the firm would be in violation of Rule 325(a) from inception and that its proposed Chief Executive Officers, Messrs. Reicher and Muir had no prior broker-dealer experience, that the plan for reorganization called for a closing on January 25, 1971, that it was impossible for the Board of Governors to approve the new corporation by that time.

I informed Mr. Simpkin that the firm had been advised to proceed with an orderly liquidation, that is to sell its memberships in the Exchange and dispose of its assets, that if this was not accomplished, the staff would recommend suspension based on a net capital violation when the current agreements extending the withdrawal of capital expire on January 25, 1971.

I informed Mr. Simpkin that the above information is in accordance with our early warning system and the requirements of S.I.P.C..

PLAINTIFF'S EXHIBIT 99. E 230

GOLENBOCK AND BARELL

60 EAST 42ND STREET

NEW YORK, N.Y. 10017

MARTIN C. BARELL
JUSTIN M. GOLENBOCK
SEYMOUR KLEINMAN
DONALD D. SHACK
MARVIN B. TEPPER
HENRY C. SHAYS
ARNOLD RAYNOR
LEONARD W. WAGMAN
NORMAN J. MENELL
BERNARD H. GOLDFLUSS
ARTHUR M. HANDLER
ROBERT M. BIRNBAUM
STEVEN R. FRANKEL

212-986-3300
CABLE ADDRESS "GOLEGAL"

BENJAMIN L. SILVER
CARL I. KAMINSKY
CHARLES ZALAZNICK
JEFFREY A. FILLMAN
SAM W. GALOWITZ
ALAN L. KAZLOW
FREDERICK K. WALLACH
MICHAEL R. LAZARUS
JEFFREY L. ZIVYAK
MICHAEL A. LEVIN
ARTHUR C. SILVERMAN
STUART M. PELLMAN
PETER ROTHENBERG
WILLIAM L. HEYMAN
JOEL A. FEERST
ARTHUR I. WEINSTEIN
JEFFREY N. SIEGEL
MICHAEL A. KASSOVER
STEVEN M. GOLDMAN
ALAN KARDON
STEPHEN M. RATHKOPF
BARRY H. MANDEL
ERIC J. DWORKIN

PLAINTIFF'S EXHIBIT 99.

January 8, 1971

RECEIVED
JAN 8 1971
W. F. D.
MEMBER FIRMS

BY HAND DELIVERY

Mr. Fred J. Stock, Jr.
New York Stock Exchange
4 New York Plaza
New York, N. Y.

Re: Newburger, Loeb & Co.

Dear Mr. Stock:

We are attorneys for Jeanne G. Donoghue and Mabel Bleich, withdrawn limited partners of Newburger, Loeb.

The cash and securities contributed by our clients as limited capital to the firm of Newburger, Loeb & Co. shall remain at the risk of the business of such firm until January 25, 1971 and their right or claim as creditors or otherwise for the repayment of such capital contributions is subject and subordinate to the prior payment or provision for payment of the claims of all other present and future creditors of such firm other than subordinated lenders or partners of the firm, arising out of any matter occurring prior to January 25, 1971.

Our clients agree that they are not relying upon the standing of Newburger, Loeb & Co. as a member of the New York Stock Exchange or upon the Exchange's surveillance of that firm or its capital position; that they have made such investigation of said firm and its participants as they deem necessary and appropriate under the circumstances; that they are not relying upon the said Exchange to provide any information concerning or relating to said firm; and that the Exchange has no responsibility to disclose to them any information concerning or relating to said firm which it may have now

PLAINTIFF'S EXHIBIT 99.

GOLENBOCK AND BARELL

E 231

or at any future time. Our clients also agree for themselves, their successors and assigns, that neither the Exchange, its special trust fund nor any Governor, officer, trustee or employee of said Exchange or fund shall be liable to our clients with respect to the repayment of any claim they may have against the said firm.

Very truly yours,

Arthur C. Silverman

Arthur C. Silverman

ACS:mn

PLAINTIFF'S EXHIBIT 100.

E 232

GOLENBOCK AND BARELL

60 EAST 42ND STREET

NEW YORK, N.Y. 10017

MARTIN C. BARELL
JUSTIN M. GOLENBOCK
SEYMOUR KLEINMAN
DONALD D. SHACK
HENRY C. SHAYS
ARNOLD RAYNOR
LEONARD W. WAGMAN
NORMAN J. MENELL
BERNARD H. GOLDFLUSS
ARTHUR M. HANDLER
ROBERT M. BIRNBAUM
STEVEN R. FRANKEL

212-986-3300
CABLE ADDRESS "GOLEGAL"

BENJAMIN L. SILVER
CARL I. KAMINSKY
CHARLES ZALAZNICK
JEFFREY A. FILLMAN
SAM W. GALOWITZ
ALAN L. KAZLOW
MICHAEL R. LAZARUS
FREDERICK K. WALLACH
EDWARD M. HOLTZMANN
JEFFREY L. ZIVYAK
MICHAEL A. LEVIN
ARTHUR C. SILVERMAN
STUART M. PELLMAN
PETER ROTHENBERG
WILLIAM L. HEYMAN
ARTHUR I. WEINSTEIN
JEFFREY N. SIEGEL
MICHAEL A. KASSOVER
STEVEN M. GOLDMAN
ALAN KARDON
STEPHEN M. RATHKOPF
BARRY H. MANDEL
ERIC J. DWORKIN

DEPT. OF INVEST.
1971 JAN 14 PM

January 14, 1971

BY HAND DELIVERY

Laurence Berkowitz, Esq.
Newburger, Loeb & Co.
5 Hanover Square
New York, N.Y. 10005

Re: Newburger, Loeb & Co.

Dear Larry:

Mr. Persky's letter of January 11 was not delivered to me until yesterday. I have reviewed the schedules and, pursuant to Mr. Persky's instructions, am passing these comments on to you.

In respect of Exhibit C: We are not handling any claim by Jack Schild. His file was returned to you and, I believe, his $750 claim was settled. As far as I know, Charles Simberg has not commenced any action against Newburger, Loeb and I have never received any claim letter from him, nor has any such letter been referred to me from Newburger, Loeb. There is omitted a $9,000 (approximate) claim by an individual named Jacobs arising out of circumstances similar to those involving the Maryland National Bank case. There is omitted the interpleader action involving Lincoln Securities, the Morgan Bank, and Newburger, Loeb concerning Lincoln Securities' claim against Newburger, Loeb for $15,400. There is also omitted the action by Ralph and Florence Isaacs for $6,000 (approximate) in connection with the Belmont matter.

I was surprised to note that the potential liabilities which may arise in connection with the claims and litigations listed in Schedule C are not referred to in Schedule A-2. It was my understanding that Schedule A-2 would incorporate by reference the claims listed on Schedule C. It would appear that since the transferee corporation is taking over a going business, Schedule A-2 must include all liabilities which may possibly

PLAINTIFF'S EXHIBIT 100.

GOLENBOCK AND BARELL

 E 233

eventuate from these known litigations and claims. The agreement should be amended to so provide.

Similarly, Schedule A-2 must include any other known claims which have been asserted against the partnership. As you know, for example, Mr. Gross has asserted a claim against Newburger, Loeb for his so-called additional capital which was represented by Newburger, Loeb to the New York Stock Exchange to be at least $231,000 (estimated).

I have not heard directly from Jean Donoghue. However, she has not yet approved the proposed transfer and has the right to reject the proposal for any reason. In view of what the schedules disclose, I would find it difficult to recommend to her that she consent to the transfer and reorganization if the partnership is going to find itself saddled with numerous unassumed claims totalling at least $800,000, if not a great deal more; with the very substantial costs of defending these claims; and with the possibility that the creditors may ultimately be able to execute on the subordinated notes held by the limited partners or any proceeds derived therefrom. Moreover, in view of certain provisions of the Debtor and Creditor Law, and under certain conditions, the creditors might even be able to reach the separate assets of the consenting limited partners.

Similarly, at the time Mabel Bleich signed the draft agreement on December 31, her acceptance, like the acceptances of the other limited partners, was conditioned upon approval of the schedules. I have this morning spoken to Mabel Blei(and have advised her of what the schedules show. It is her position that unless a favorable resolution of above problem is obtained, she will be forced to reject the proposed transfer.

May I please hear from you as soon as possible in respect of the foregoing.

Sincerely,

Arthur C. Silverman

Arthur C. Silverman

ACS/rs
cc: Robert Newburger
Daniel Eisenberg, Esq.
Arthur Richenthal, Esq.
Robert D. Steefel, Esq.
Robert S. Persky, Esq.
William Dilger
Mabel Bleich
Jeanne Donoghue

PLAINTIFF'S EXHIBIT 101.

NEWBURGER, LOEB & CO.
5 Hanover Square
New York, New York

E 234

January 15, 1971

Mr. William Dilger
Department of Member Firms
New York Stock Exchange
4 New York Plaza
New York, New York

Dear Bill:

This letter is to let you know that thus far Jeanne Donaghue has not signed the agreement between Newburger, Loeb & Co., and Newburger, Loeb & Co., Inc.

In the event that she does not sign, we intend to seek the acquiescence of the present limited partners and subordinated lenders to pay Jeanne Donaghue the $75,000.00 due to her in accordance with the provisions of the existing Partnership Agreement. If she does not sign and the other partners acquiesce, we intend to proceed with the closing in accordance with the present executory agreement.

Sincerely,

Paul D. Risher

Paul D. Risher

PDR/meg

cc: Robert Bishop
cc: Fred Stock

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JAN 18 1971
W. F. D.
MEMBER FIRMS

PLAINTIFF'S EXHIBIT 102

GOLENBOCK AND BARELL

60 EAST 42ND STREET

NEW YORK, N.Y. 10017

January 20, 1971

PLAINTIFF'S EXHIBIT 102.

[illegible]
[illegible] GOLDBLOCK
[illegible] SULLIVAN
[illegible] GRACA
[illegible] SHAW
[illegible] BARELL
LEONARD M. MAGMAN
NORMAN L. MENDEL
BERNARD N. GOLDFLUSS
ARTHUR M. HANDLER
ROBERT W. SARNOFF
STEVEN A. FRANKEL

212-[illegible]-5000
CABLE ADDRESS "GOLEGAL"

BENJAMIN L. SILVER
CARL I. KAMINSKY
CHARLES ZALAZNICK
JEFFREY A. FRIEDMAN
SAM W. GALOWITZ
ALAN L. KAZLOW
MICHAEL R. LAZARUS
FREDERICK N. WALLACH
EDWARD M. HOLTZMANN
JEFFREY L. ZIVYAK
MICHAEL A. LEVIN
ARTHUR C. SILVERMAN
STUART M. [illegible]ELMAN
PETER ROTHENBERG
WILLIAM L. [illegible]MAN
ARTHUR I. WEINSTEIN
JEFFREY N. SIEGEL
MICHAEL A. KADSOVER
STEVEN M. GOLDMAN
ALAN KARDON
STEPHEN M. RATHKOPF
BARRY H. MANDEL
ERIC J. DWORKIN

E 235

Robert Persky, Esq.
Finley, Kumble, Underberg,
Persky & Roth
477 Madison Avenue
New York, N.Y. 10022

Re: Newburger, Loeb Reorganization

Dear Bob:

I again spoke last night to Jeanne Donoghue in Melbourne, Australia. She made it clear to me that she has not altered her prior decision to reject the reorganization plan. She stated that inasmuch as the many circumstances which originally led to her rejection remained unchanged, she felt that there was no reason to withdraw her rejection, and would not do so.

In view of Mrs. Donoghue's position, it seems to be a fruitless exercise to proceed with the negotiations among the principal parties and with the Exchange. Your suggestion to me yesterday that you would continue to move forward in the hope that Mrs. Donoghue ultimately might sign ignores (1) her unambiguous rejection of the plan, which rejection has been confirmed twice by me in personal telephone conversations with her, and (2) your own advice to me yesterday that the reorganization could not and would not be consummated without her consent.

I think all of us should be realistic and should cease further efforts in the matter. We should also forthrightly inform the Exchange at once that the reorganization cannot be effected. Finally, I see no reason for providing the Exchange with any further letters relating to the interested parties' leaving their capital at the risk of the partnership.

I shall attempt, after today's meeting, to set an appointment between Mr. Dilger and myself for some

PLAINTIFF'S EXHIBIT 102.
GOLENBOCK AND BARELL

time tomorrow, when I must regretfully inform him of Mrs. Donoghue's decision and the effect thereof on the proposed reorganization.

E 236

Sincerely,

Arthur C. Silverman

Arthur C. Silverman

ACS/rs
BY HAND

cc: Mabel Bleich
Robert Newburger
Arthur Richenthal, Esq.
Robert D. Steefel, Esq.
Daniel Eisenberg, Esq.
Kenneth J. Bialkin, Esq.
Laurence Berkowitz, Esq.
Jeanne Donoghue - AIR MAIL
SPECIAL DELIVERY

E 237

PLAINTIFF'S EXHIBIT 103.

January 22, 1971

Newburger, Loeb & Co.
5 Hanover Square
New York, New York 10004

Re: Reorganization

Gentlemen:

Reference is made to attorneys' agreement dated January 20, 1971.

I hereby confirm and ratify only so much of said agreement as is contained in paragraphs "2", "3", and "4" at pages 2 and 3. I do not confirm or ratify any other portions of the said agreement.

Accordingly, I agree to leave my capital at the risk of Newburger, Loeb until February 11, 1971.

This letter is without prejudice to my right to reject the plan of reorganization in the event any other limited partner does not consent to the plan and receives benefits and treatment not available to me.

Very truly yours,

Mabel Bleich

MB:mn

cc: Golenbock and Barell

1629.11V

PLAINTIFF'S EXHIBIT 121.

E 238

June 26, 1972

AIR MAIL

Mr. Alex Aixala
1221 North Venetian Way
Miami Beach, Florida 33139

Re: Newburger, Loeb & Co., Inc.
v. Charles Gross, et al.

Dear Alex:

In accordance with our conversation, I am enclosing herewith two copies of an affidavit to be executed by you in connection with the above-captioned litigation. I have previously outlined the substance thereof to you in our telephone conversation.

Since I am uncertain that the original affidavit will be returned to us prior to our having to deliver a copy to the counsel for Mr. Gross, I would appreciate your having the affidavit executed on Wednesday, June 28, 1972 so that the conformed copies in New York bear the same date as the date of execution.

Please return the original copy to me in the enclosed envelope. The second copy is for your files.

PLAINTIFF'S EXHIBIT 121.

E 239

For your convenience, I have enclosed a stamped self-addressed envelope.

Very truly yours,

FINLEY, KUMBLE, UNDERBERG
PERSKY, ROTH & GRUTMAN

By Robert S. Persky

RSP/mer

Enclosures

PLAINTIFF'S EXHIBIT 122.

TERMS OF PROPOSED PURCHASE AGREEMENT BETWEEN Newburger, Loeb & Co. (N. L & Co) and Paul Risher and Robert Muh.

E 240

1. A corporation be formed immediately to assume all the assets and liabilities of N. L & Co. (This would not relieve any of N. L & Co's individual partners of any prior obligations except as may be agreed with the limited partners.)

2. All necessary approvals from the New York Stock Exchange, etc. be sought as soon as possible for the transfer of assets.

3. The ownership of the corporation would be as follows:

a)	Andrew Newburger	25,000 shares
b)	Robert Newburger	55,000 shares
c)	Richard Stern	30,000 shares
d)	Robert Stern	55,000 shares
e)	John Settel	55,000 shares
f)	Paul Risher	300,000 shares
g)	Robert A. Muh	300,000 shares
h)	Other investors	180,000 shares
		1,000,000 shares

4. All present limited partners of N. L & Co. would become preferred shareholders of the new corporation and would receive 30,000 shares of convertible preferred stock, $40 par value with a $2.00/share dividend. This stock would be convertible at any time within 3 years into 200,000 shares of common stock. After 3 years, it may be called by the corporation at par. The dividend would be payed only when and to the extent earned after all interest charges.

Location	Expiration	Remarks	Monthly Cost	Annual Cost	Cost Until Expiration
8th & 9th Floors 66 Beaver Street	9/30/76	8th Flr. Corporation 9th Flr. Vacant	$10,333*	$124,000	$713,000
10th Floor 66 Beaver Street	9/30/76	Partially Sublet	$ 1,700*	$ 20,400	$117,300
12th Floor 66 Beaver Street	2/28/77	Vacant 12/30/70	$ 772*	$ 9,260	$ 57,102
14th Floor 66 Beaver Street	2/28/77	Vacant 12/31/70	$ 710*	$ 8,520	$ 52,539
24th Floor 66 Beaver Street	1/30/77	Partially Sublet	$ 1,450	$ 17,400	$105,849
40 Exchange Pl.	4/30/74	Vacant 12/31/70	$ 2,833	$ 34,000	$113,332
4 E. 28th St.	12/31/71	Vacant 12/31/70	$ 1,558	$ 18,700	$ 18,700
38th St. & 7th Avenue	1/31/72	Vacant 12/31/70	$ 1,483	$ 17,800	$ 19,283
74th St. & Madison Avenue	6/30/73	Sublet	$ 1,750	$ 21,000	$ 52,500
57 W. 57th St.	1/31/75	Vacant 12/31/70	$ 2,208 to '73 $ 2,666 to '75	$ 26,500 $ 32,000	$119,208
72nd St. & Broadway	9/30/73	Occupied by Corporation	$ 1,833	$ 22,000	$ 60,500
250 Park Ave.	8/31/75	Occupied by Corporation	$ 5,417 to '71 $ 7,083 to '73 $ 8,333 to '75	$ 65,000 $ 85,000 $100,000	$435,000
Century City	11/30/79	Partially Sublet	$12,672	$152,064	$1,355,902
TOTAL			$44,719	$536,644	$3,220,215

*Not including a substantial escalation provision that was in dispute at the time

PLAINTIFF'S EXHIBIT 123.
E 241

Cost Until Expiration
$713,000
$117,300
$ 57,102
$ 52,539
$105,849
$113,332
$ 18,700
$ 19,283
$ 52,500
$119,208
$ 60,500
$435,000
$1,355,902
$3,220,215

PLAINTIFF'S EXHIBIT 123.

E 241

PLAINTIFF'S EXHIBIT 124.

New York City and New York State
Tax Refund claims.

NYC-113

PLAINTIFF'S EXHIBIT 124.

FINANCE ADMINISTRATION
INCOME TAX BUREAU

THE CITY OF NEW YORK

CLAIM FOR CREDIT OR REFUND OF PERSONAL INCOME TAX ON RESIDENTS—EARNINGS TAX ON NONRESIDENTS—UNINCORPORATED BUSINESS INCOME TAX

E 242

For Period Ended December 31, 19 67

File Separate Claim For Each Tax Period

PRINT OR TYPE

NAME: Newburger, Loeb & Co.

ADDRESS (Number and Street): 5 Hanover Square

City and State: New York, New York ZIP Code: 10004

TELEPHONE NUMBER:

SOCIAL SECURITY NUMBERS: TAXPAYER

SPOUSE

EMPLOYER IDENTIFICATION NUMBER: 12-1276842

In accordance with Section T46-67.0, U46-37.0 or S46-31.0 of the New York City Administrative Code, claim is made for credit or refund of tax paid.

TOTAL AMOUNT OF TAX PAID	AMOUNT OF REFUND OR CREDIT CLAIMED
$ 108,649	$ 108,649*

* Plus any additional amounts computed to be due.

Give all facts on which your claim is based. Use additional sheets if required.

Taxpayer's unincorporated business tax return for the year 1970 shows a net loss in the amount of $4,199,127. In accordance with Sec. 46-6.0, Subdiv. 2(a), of Title S of the New York City Tax Law, the loss is being carried back to 1967, eliminating the reported 1967 taxable income of $2,786,232 reflected in the return filed. A schedule attached hereto demonstrates that more than 80% of the aggregate interests in the loss year unincorporated business tax gross income and deductions were held by persons who were also partners in the carryback deduction year. That schedule also demonstrates that 96.20% of the interests in the carryback deduction year were held by these same partners. A 1967 deduction for $4,039,560 (96.20% of the carryback of $4,199,127) should be allowed, fully eliminating any 1967 tax liability.

I hereby certify that this claim, and any accompanying rider, are to the best of my knowledge and belief true and correct.

/s/ Andrew Newburger, Partner — Signature(s) of Taxpayer(s) or Agent

11/3/71 — Date

If this claim is signed by any person other than the taxpayer, it must be accompanied by a duly executed power of attorney.

MAIL THIS CLAIM TO: REFUNDS UNIT—CITY OF NEW YORK—FINANCE ADMINISTRATION—INCOME TAX BUREAU—354 BROADWAY—NEW YORK, N. Y. 10013

FOR BUREAU USE ONLY

$_____ Credit or Refund

_____ Date

_____ Signature

NEWBURGER, LOEB & CO.

E 243

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

	LOSS YEAR 1970		DEDUCTION YEAR 1967	
	SHARE OF EXCESS OF DEDUCTIONS OVER INCOME		SHARE OF EXCESS OF INCOME OVER DEDUCTIONS (1) (PRIOR TO CARRYBACK DEDUCTION)	
	AMOUNT	%	AMOUNT	%
George F. Conniff	$ 24,830	.59	$ 47,074	1.69
Edward R. Holt	104,304	2.48	101,430	3.64
Andrew M. Newburger	677,593	16.14	439,982	15.79
Estate of Morris Newburger	152,569	3.63	452,933(2)	16.26
Robert L. Newburger	908,342	21.63	452,112	16.23
Benjamin F. Peyser	56,512	1.35	87,671	3.15
Harold J. Richards	177,133	4.22	197,066	7.07
Adolphus Roggenburg	14,726	.35	117,937	4.23
Julius S. Schnall	42,008	1.00	53,274	1.91
Leo Stern	423,371	10.08	281,866	10.12
Robert L. Stern	909,677	21.66	448,944	16.11
Aggregate	3,491,065	83.13	2,680.289	96.20
Total for Partnership	$4,199,127	100.00	$2,786,232	100.00

(1) After deduction of percentage shares of allowance for partners' services and exemption per return filed.

(2) Income reported by the decedent individually for 1967

COMPUTATION OF REVISED TAXABLE INCOME
1967

Total New York City income after additions and subtractions, per return as filed (Schedule C, Line 16)	$ 2,786,232
Net operating (loss) carryback ($4,199,127 x 96.20%)	(4,039,560)
Carryforward to 1968	$(1,253,328)

NYC-204

Department of Finance
Income Tax Bureau

City of New York

INCOME AND UNINCORPORATED BUSINESS TAX

Partnership Return

Calendar Year 1967

or Fiscal year ended _____, 1968

E 244

PRINT OR TYPE

Name: SELIGMAN LOEB & Co.

Address (Number and Street): 1 MADISON SQUARE

City and State: NEW YORK, N.Y. ZIP Code: 10004

Please correct any error in imprint and include ZIP Code

Enter Federal Employer Identification Number: 12-1276842

A. Kind of business: STOCK BROKERAGE

B. Date began business in New York City: 1/1/42

C. Telephone Number

D. Did you file a New York City partnership return for 1966? YES

E. If not, state reason

F. If return was filed under name or address different from above, give name or address used

G. If business terminated during the taxable year, state date terminated (month, day)

Calculation of New York City Unincorporated Business Tax.

1. Net income (Line 20, Schedule C, Page 3 or Line 15, Schedule E, Page 4)	2,721,232	24
2. Less: Exemption (see instructions)	5,000	—
3. TAXABLE BUSINESS INCOME	2,716,232	24
4. Tax on amount on Line 3 — Enter 4% of Line 3	108,649	29
5. Less: Business Tax Credit (check applicable box below) ENTER AMOUNT OF CREDIT HERE		
☐ Tax on Line 4 is $100 or less. Your credit is the entire amount of tax on Line 4. No tax will be due.		
☐ Tax on Line 4 is $200 or over. No credit is allowed. Enter "None" on Line 5 above.		
☐ Tax on Line 4 is over $100 but less than $200. Your credit is $200 less the amount of tax on Line 4, as follows: $200 less _____ (Enter tax from Line 4) = _____ (Credit — enter on Line 5)		
6. UNINCORPORATED BUSINESS TAX DUE (Line 4 less Line 5)	108,649	29
7. Payments of partnership estimated tax	76,000	—
8. If Line 6 is greater than Line 7, enter BALANCE DUE	32,649	29
9. If Line 7 is greater than Line 6, enter OVERPAYMENT		
10. Amount of Line 9 to be: (a) Credited to 1968 estimated tax on Form NYC-5UB		
(b) Refunded		

OPEN

Date

Date

MAKE REMITTANCE PAYABLE TO CITY COLLECTOR

File return with City of New York, Department of Finance — Income Tax Bureau, Box 3124, Church Street Station, New York, N. Y. 10008, on or before April 15, 1968, or for fiscal year taxpayers, within 3½ months following the close of the fiscal year.

McInburger Loeb & Co
Distribution for Tax
1967

Payee	Social Security Number	Ordinary Net Income	Share of Investment Credit Recovered	Share of Investment Credit Credit	Additions for New York State
[illegible] Newburger	N.Y., N.Y. 133-26-0592	409733.73 ✓	340679.	23848.	43114.98
[illegible]	Lawrence, N.Y. 133-26-1370	258304.17 ✓	185823.	13007.	25513.
[illegible] Neuberger	N.Y., N.Y. 061-01-5918	408911.93 ✓	340679.	23848.	43119.77
[illegible] Neuberger	N.Y., N.Y. 014-12-2082	396782.98 ✓	340679.	23848.	43112.65
[illegible]	Lawrence, N.Y. 092-20-9481	405745.29 ✓	340679.	23848.	43112.65
[illegible] & Lester M. Neuberger	N.Y. 13-6186294	3585510 ✓			
[illegible]	N.Y. 126-12-2602	2208750 ✓			
[illegible]	N.J. 065-09-0258	20000 — ✓			
[illegible]	N.Y. 065-09-2498	876078 ✓			
[illegible]	N.Y. 134-05-3624	481809.	40146.	2810.	5064.068
[illegible]	N.Y. 112-05-0742	1107463.	56707.	3969.	7119.59
[illegible]	N.Y. 064-01-5924	1763577.	163315.	11432.	20708.89
[illegible]	N.J. 063-01-9772	419835.	40146.	2810.	1509.068
[illegible]	N.Y. 063-30-0158	910948.	81502.	5705.	10334.71
[illegible]	N.J. 081-03-3546	28000 —			
		25414572.	1930355.	135125.	244774.98

E 245

E 246

Schedule A — Partners' shares of income and deductions. (See Instructions)

% Interest	Name and Address (Name and address should be identical to that shown on individual income tax return of the named partner.)	2. Social Security number	3. Percentage of time devoted to business	4. Ordinary income (or loss)	5. Additional first-year depreciation
(a)					
(b)					
(c)	SCHEDULE ATTACHED				
(d)					
(e)					
100 %	Totals				

Continuation of Schedule A

	6. Payments to partners—salaries and interest	7. Qualifying dividends (as reported for Federal tax purposes)	8. Net short-term gain (or loss) from sale or exchange of capital assets	9. Net long-term gain (or loss) from sale or exchange of capital assets	10. Net gain (or loss) under I.R.C. Section 1231	Summary of other items required to be reported separately by partners. 11. Partners' shares of other income items	12. Partners' shares of other deduction items
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

Schedule B — Partners' shares of changes from Federal items. (See Instructions)

Partner as in Schedule A	ADDITIONS 1. Total New York State Additions	2. New York City Additions (attach schedule)	SUBTRACTIONS 3. Total New York State Subtractions	4. New York City Gains Modification (attach schedule)	5. Other New York City Subtractions (attach schedule)
(a)					
(b)					
(c)	SCHEDULE ATTACHED				
(d)					
(e)					
Totals	244,774.33				

6. Reconciliation of changes from Federal items for Unincorporated Business Tax purposes. See instructions for possible adjustments before entering figures on lines 1 thru 7. (One copy of this column of Schedule C, Page 3 is required to be used.)

	IN THE PRECEDING BOX, INCOME FROM BUSINESS:	
1.	Enter total of Column 1, Schedule B	244,774.33
2.	Enter total of Column 2, Schedule B	
3.	Net gain (Enter here and on line 13, Schedule C, Page 3)	244,774.33
	IN THE FOLLOWING BOX, LOSS FROM BUSINESS:	
4.	Enter total of Column 3, Schedule B	
5.	Enter total of Column 4, Schedule B	
6.	Enter total of Column 5, Schedule B	
7.	Net subtractions (Enter here and on line 15, Schedule C, Page 3)	

Schedule C to be completed by a partnership having (1) unincorporated business gross income in excess of $10,000, or (2) any amount of unincorporated business taxable income

Schedule C — Enter total amounts of income and deductions from Schedule A, Page 2. (If business is carried on both inside and outside New York City, see instructions for method of reporting.)

E 247

1. Ordinary income (or loss) (Column 4, Schedule A)	2,541,457 22
2. Payments to partners — salaries and interest (Column 6, Schedule A) No Salaries - Interest Included Above	
3. Qualifying dividends (as reported for Federal tax purposes) (Column 7, Schedule A)	
4. Net short-term gain (or loss) from sale or exchange of capital assets (Column 8, Schedule A)	
5. Net long-term gain (or loss) from sale or exchange of capital assets (Column 9, Schedule A)	
6. Net gain (or loss) from sale or exchange of property under I. R. C. Section 1231 (Column 10, Schedule A)	
7. Partners' shares of other income items (Column 11, Schedule A)	
8. Total of Lines 1 through 7	2,541,457 22
9. Less: (a) Additional first-year depreciation (Column 5, Schedule A)	
(b) Partners' shares of other deduction items (See instructions for possible adjustments) (Column 12, Schedule A)	None
10. Balance	2,541,457 22
11. Less: (a) Rental income from real property situated outside N. Y. City included on Line 8 (if loss, add)	
(b) Gain from disposition of real property situated outside N. Y. City included on Line 8 (if loss, add)	None
12. Total income from business before New York City modifications	2,541,457 22
13. Additions (enter total additions from Line 3, Column 6, Schedule B, Page 2)	244,776 00
14. Total of Lines 12 and 13	2,786,233 22
15. Subtractions (enter total subtractions from Line 7, Column 6, Schedule B, Page 2)	None
16. Total income from business (Line 14 less Line 15)	2,786,233 22
17. Less: Contributions (not to exceed 5% of Line 16) (see instructions)	—
18. BALANCE	2,786,233 22
19. Less: Allowance for partners' services (see instructions)	45,000 —
20. NET INCOME FROM BUSINESS — Enter on Line 1, Page 1, unless allocation in Schedule E is required	2,741,233 22

Complete Schedules B and E on Page 4 only if business is carried on both inside and outside New York City. (See instructions)

NYC-113

FINANCE ADMINISTRATION
INCOME TAX BUREAU

THE CITY OF NEW YORK

CLAIM FOR CREDIT OR REFUND OF PERSONAL INCOME TAX
ON RESIDENTS—EARNINGS TAX ON NONRESIDENTS—
UNINCORPORATED BUSINESS INCOME TAX

E 248

For Period Ended December 31, 19 68

File Separate Claim For Each Tax Period

PRINT OR TYPE

Newburger, Loeb & Co.
NAME

5 Hanover Square
ADDRESS (Number and Street)

New York, New York 10004
City and State ZIP Code

TELEPHONE NUMBER

SOCIAL SECURITY NUMBERS:
TAXPAYER [redacted]

SPOUSE

EMPLOYER IDENTIFICATION NUMBER
12-1276842

In accordance with Section T46-67.0, U46-37.0 or S46-31.0 of the New York City Administrative Code, claim is made for credit or refund of tax paid.

TOTAL AMOUNT OF TAX PAID	AMOUNT OF REFUND OR CREDIT CLAIMED
$118,831	$47,577*

* Plus any additional amounts computed to be due.

Give all facts on which your claim is based. Use additional sheets if required.

Taxpayer's unincorporated business tax return for the year 1970 shows a net loss in the amount of $4,199,127.
In accordance with Sec. 46-6.0, Subdiv. 2(a), of Title S of the New York City Tax Law, the loss is being carried back to 1967, eliminating the reported 1967 taxable income of $2,716,232 reflected in the return filed and the balance is being carried forward to 1968.
A schedule attached hereto demonstrates that more than 80% of the aggregate interests in the loss year unincorporated business tax gross income and deductions were held by persons who were also partners in the carryback deduction year. That schedule also demonstrates that 94.90% of the interests in the carryback deduction year were held by these same partners.
A 1968 deduction for $1,189,408 (94.90% of the unused portion of the carryback of $1,253,328) should be allowed, reducing the 1968 tax liability by $47,577 (per schedule attached)

I hereby certify that this claim, and any accompanying rider, are to the best of my knowledge and belief true and correct.

/s/ Andrew Newburger, Partner — 1/3/71
Signature(s) of Taxpayer(s) or Agent — Date

If this claim is signed by any person other than the taxpayer, it must be accompanied by a duly executed power of attorney.

MAIL THIS CLAIM TO: REFUNDS UNIT—CITY OF NEW YORK—FINANCE ADMINISTRATION—INCOME TAX BUREAU—334 BROADWAY—NEW YORK, N. Y. 10013

FOR BUREAU USE ONLY

$_____ Credit or Refund _____ Date _____ Signature

NEWBURGER, LOEB & CO.

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

E 249

	LOSS YEAR 1970		DEDUCTION YEAR 1968	
	SHARE OF EXCESS OF DEDUCTIONS OVER INCOME		SHARE OF EXCESS OF INCOME OVER DEDUCTIONS (1) (PRIOR TO CARRYBACK DEDUCTION)	
	AMOUNT	%	AMOUNT	%
George F. Conniff	$ 24,830	.59	$ 47,789	1.57
Edward R. Holt	104,304	2.48	101,590	3.34
Andrew M. Newburger	677,593	16.14	504,846	16.60
Estate of Morris Newburger	152,569	3.63	349,368	11.49
Robert L. Newburger	908,342	21.63	521,561	17.15
Benjamin F. Peyser	56,512	1.35	153,942	5.06
Harold J. Richards	177,133	4.22	194,543	6.40
Adolphus Roggenburg	14,726	.35	118,185	3.89
Julius S. Schnall	42,008	1.00	50,939	1.68
Leo Stern	423,371	10.08	335,139	11.02
Robert L. Stern	909,677	21.66	507,745	16.70
Aggregate	3,491,065	83.13	2,885,647	94.90
Total for Partnership	$4,199,127	100.00	$3,040,765	100.00

(1) After deduction of percentage shares of allowance for partners' services and exemption, per return filed.

COMPUTATION OF REVISED TAXABLE INCOME
1968

Total New York City income after additions and subtractions per return as filed (Schedule C, Line 18)	$ 3,040,765
Net operating (loss) carryforward from 1967 ($1,253,328 x 94.90%) See Note A	(1,189,408)
Balance	1,851,357
Less, allowance for partners' services	65,000
Revised net income	1,786,357
Less, exemption	5,000
	$ 1,781,357

(Continued)

NEWBURGER, LOEB & CO.

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

E 250

Tax @ 4%	$ 71,254
Less, tax per return filed	118,831
To be refunded	$ (47,577)

Note A:

1970 net operating loss	$4,199,127
Eligible for carryback @ 96.20 to 1967	$4,039,560
Actually used in 1967	2,786,232
Balance - eligible for carryforward	$1,253,328

NYC 204

E 251

Finance Administration
Income Tax Bureau

The City of New York
INCOME AND UNINCORPORATED BUSINESS TAX
Partnership Return

Calendar Year 1968

Or Fiscal Year Ended 1969

PRINT OR TYPE

NEWBURGER, LOEB & CO.

NAME

5 HANOVER SQUARE

ADDRESS (Number and Street)

NEW YORK, NEW YORK 10004

City and State ZIP Code

Please correct any error in imprint and include ZIP Code

Enter Federal Employer Identification Number

12-1276842

A Kind of business Stock Brokerage

B Date began business in New York City 6/1/42

C Telephone Number

D Did you file a New York City partnership return for 1966? Yes 1967? Yes

E If not, state reason

F If return was filed under name or address different from above, give name or address used

G If business terminated during the taxable year, state date terminated (month, day)

Calculation of New York City Unincorporated Business Tax.

1 Net income (Line 20, Schedule C, Page 3 or Line 15, Schedule E, Page 4)	2,975,764	67
2 Less: Exemption (see instructions)	5,000	00
3 TAXABLE BUSINESS INCOME	2,970,764	67
4 Tax on amount on Line 3 — Enter 4% of Line 3	118,830	59
5 Less: Business Tax Credit (check applicable box below) ENTER AMOUNT OF CREDIT HERE		
☐ Tax on Line 4 is $100 or less. Your credit is the entire amount of tax on Line 4. No tax will be due.		
☐ Tax on Line 4 is $200 or over. No credit is allowed. Enter "None" on Line 5 above.		
☐ Tax on Line 4 is over $100 but less than $200. Your credit is $200 less the amount of tax on Line 4, as follows: $200 less ____ (Enter tax from Line 4) = ____ (Credit — enter on Line 5)		
6 UNINCORPORATED BUSINESS TAX DUE (Line 4 less Line 5)	118,830	59
7 Payments of partnership estimated tax	110,000	00
8 If Line 6 is greater than Line 7, enter BALANCE DUE	8,830	59
9 If Line 7 is greater than Line 6, enter OVERPAYMENT		
10 Amount of Line 9 to be: (a) Credited to 1969 estimated tax on Form NYC-5UB		
(b) Refunded		

COPY

Sign here ▶

Signature of partner or member Date

274 Madison Ave., N.Y., N.Y. 10016

Signature of preparer other than partner or member Address Date

MAKE REMITTANCE PAYABLE TO CITY COLLECTOR

MAIL TO:

Refund Due: The City of New York, Finance Administration, Income Tax Bureau, Box 555 Midtown Station, New York, N. Y. 10018.

All Other Returns: The City of New York, Finance Administration, Income Tax Bureau, Box 3124 General Post Office, New York, N. Y. 10001.

Schedule A — Partners' shares of income and deductions. (See Instructions)

1. State full name, address and percentage of partner's interest in the partnership. (Name and address should be identical to that shown on individual income tax return of the member partner.) % Interest — Name and Address	2. Social Security number	3. Percentage of time devoted to business	4. Ordinary Income (or loss)	5. Additional first-year depreciation
(a)				
(b) SCHEDULE ATTACHED				
(c)				
(d)				
(e)				
100 % Totals				

Continuation of Schedule A

	6. Payments to partners—salaries and interest	7. Qualifying dividends (as reported for Federal tax purposes)	8. Net short-term gain (or loss) from sale or exchange of capital assets	9. Net long-term gain (or loss) from sale or exchange of capital assets	10. Net gain (or loss) under I.R.C. Section 1231	Summary of other items required to be reported separately by partners. 11. Partners' shares of other income items	12. Partners' shares of other deduction items
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

Schedule B — Partners' shares of changes from Federal items. (See Instructions)

Partner as in Schedule A	ADDITIONS 1. Total New York State Additions	2. New York City Additions (attach schedule)	SUBTRACTIONS 3. Total New York State Subtractions	4. New York City Subtractions (attach schedule)
(a)				
(b) SCHEDULE		ATTACHED		
(c)				
(d)				
(e)				
Totals	282,309 56			5,400 00

5. Reconciliation of changes from Federal items for Unincorporated Business Tax purposes. See instructions for possible adjustments before making entries on lines below. (Complete this column only if Schedule C, Page 3 is required to be used.)

ITEMS INCREASING TOTAL INCOME FROM BUSINESS:	282,309 56
1 Enter total of Column 1, Schedule B	
2 Enter total of Column 2, Schedule B	~~282,309 56~~
3 Total additions (Enter on Line 13, Schedule C, Page 3)	
ITEMS DECREASING TOTAL INCOME FROM BUSINESS:	
4 Enter total of Column 3, Schedule B	~~5,400 00~~
5 Enter total of Column 4, Schedule B	~~5,400 00~~
6 Total subtractions (Enter on Line 15, Schedule C, Page 3)	

E 253

NEWBURGER LOEB & CO.
DISTRIBUTION FOR TAX
1948

FEDERAL	SOCIAL SECURITY NUMBER		ORDINARY NET INCOME	CAPITAL GAINS LONG TERM	CAPITAL GAINS SHORT TERM		SHARES OF INVESTMENT CREDIT PURCHASED	SHARES OF INVESTMENT CREDIT CREDIT		ADDITIONS FOR NEW YORK STATE	LESS NEW YORK CITY CAPITAL GAINS MODIFICATION-LT
ESTATE OF MORRIS NEWBURGER	N.Y. 13-6275623		31000421	250268	9135		412261	28258		3748163	71695
" " LESTER NEWBURGER	N.Y. 12-6186294		3360540								
" " SYDNEY R. GOLDE	N.Y. 13-6269743		1971888								
LEO STERN	LARCHMONT, N.Y.	133-26-1370	2628979	4354745	7112		320970	22468		291849	55819
ROBERT I. NEWBURGER	N.Y. N.Y.	044-01-5913	4068822	6206941	13038		58840	41191		534943	102233
ROBERT L. STERN	LARCHMONT, N.Y.	092-20-9481	4098479	4529066	13038		58840	41191		534943	102233
ANDREW M. NEWBURGER	N.Y. N.Y.	074-12-2092	3905778	6166123	13038		58840	41191		534943	102233
JOHN F. THISTLETON	N.J.	065-09-0253	200433								
BENJAMIN F. PEYSER	N.Y.	065-09-2498	1539498								
JULIUS SCHMALZ	N.Y.	109-05-3624	44766	3924	1432		6450	4525		58779	11243
ADOLPHUS ROSENBURG	N.Y.	112-05-0742	1094369	56629	2030		91637	6415		83136	15936
HAROLD J. RICHARDS	N.Y.	064-01-5924	1702814	154276	5631		254136	17790		231035	44196
GEORGE F. CONNIFF	N.J.	063-01-9772	411748	39246	1432		14650	4525		58779	11243
EDWARD R. HOLT	N.Y.	063-30-0158	890639	79830	2914		131503	9245		119586	22869
WILLIAM A. MCGOVERN	N.J.	091-03-3544	30000 —								
HAROLD N. FRANK	N.Y.	056-10-6753	2050057								
WILLARD S. IRIS	N.Y.	096288798A	312891								
			25444127	2187544	68805		3105127	217359		2823951	540000

NEUBERGER LOEB & CO.

1968

E 254

NEW YORK CITY CAPITAL GAIN MODIFICATION

4000 SHS. RIDGEWAY CORP. - VALUE 7/1/66 (PROCEEDS 39,950.-)	26500-
- COST 1957	21100-
TOTAL MODIFICATION	5400-

Schedule C to be completed by a partnership having (1) unincorporated business gross income in excess of $10,000, or (2) any amount of unincorporated business taxable income

Schedule C — Enter total amounts of income and deductions from Schedule A, Page 2. (If business is carried on both inside and outside New York City, see instructions for method of reporting.)

1	Ordinary income (or loss) (Column 4, Schedule A)			2,544,412 71
2	Payments to partners — salaries and interest (Column 6, Schedule A)			
3	Qualifying dividends (as reported for Federal tax purposes) (Column 7, Schedule A)			
4	Net short-term gain (or loss) from sale or exchange of capital assets (Column 8, Schedule A)			688 00
5	Net long-term gain (or loss) from sale or exchange of capital assets (Column 9, Schedule A)			218,754 40
6	Net gain (or loss) from sale or exchange of property under I. R. C. Section 1231 (Column 10, Schedule A)			
7	Partners' shares of other income items (Column 11, Schedule A)			
8	Total of Lines 1 through 7			2,763,855 11
9	Less: (a) Additional first-year depreciation (Column 5, Schedule A)			
	(b) Partners' shares of other deduction items (See instructions for possible adjustments) (Column 12, Schedule A)			
10	Balance			
11	Less: (a) Rental income from real property situated outside N. Y. City included on Line 8 (if loss, add)			
	(b) Gain from disposition of real property situated outside N. Y. City included on Line 8 (if loss, add)			
12	Total income from business before New York City modifications			2,763,855 11
13	Additions (enter total additions from Line 3, Column 5, Schedule B, Page 2)			282,309 56
14	Total of Lines 12 and 13			3,046,164 67
15	Subtractions (enter total subtractions from Line 6, Column 5, Schedule B, Page 2)			5,400 00
16	Total income from business (Line 14 less Line 15)			3,040,764 67
17	Less: Contributions (not to exceed 5% of Line 16) (see instructions)			
18	BALANCE			3,040,764 67
19	Less: Allowance for partners' services (see instructions)			65,000 00
20	NET INCOME FROM BUSINESS — Enter on Line 1, Page 1, unless allocation in Schedule E is required			2,975,764 67

Complete Schedules D and E on Page 4 only if business is carried on both inside and outside New York City. (See instructions)

Schedule D — List all places, BOTH INSIDE AND OUTSIDE New York City, where you carry on business.

1. STREET ADDRESS	2. CITY AND STATE	3. DESCRIPTION (see instructions)

Schedule E — Formula Basis allocation of income, if books do not reflect income earned in New York City.

1. DESCRIPTION OF ITEMS USED AS FACTORS	2. TOTALS (Inside and outside the City)	3. NEW YORK CITY AMOUNTS	4. PER CENT COLUMN 3 IS OF COLUMN 2
1 AVERAGE VALUE OF THE REAL AND TANGIBLE PERSONAL PROPERTY OF THE BUSINESS: (see instructions)			
1a REAL PROPERTY OWNED			
1b REAL PROPERTY RENTED FROM OTHERS			
1c TANGIBLE PERSONAL PROPERTY OWNED			%
1d TOTAL OF LINES 1a, 1b and 1c			
2 WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPENSATION PAID DURING THE YEAR			%
3 GROSS SALES OF MERCHANDISE, OR CHARGES FOR SERVICES, DURING THE YEAR			%
4 Total of percentages in Column 4			%
5 BUSINESS ALLOCATION PERCENTAGE (Divide total percentages (Line 4) by 3)			%
6 Enter Line 18, Schedule C, Page 3			
7 Add New York City net operating loss deduction, if any, included on Line 15, Schedule C			
8 Subtract income or gain from New York City real property included on Line 16, Schedule C (if loss, add)			
9 Balance			
10 Amount allocated to New York City (multiply Line 9 by Business Allocation Percentage on Line 5)			
11 Add income or gain from New York City real property — Line 8 above (if loss, subtract)			
12 Subtract New York City net operating loss deduction — Line 7 above			
13 Balance			
14 Less: Allowance for partners' services (see instructions)			
15 NET INCOME FROM BUSINESS ALLOCATED TO NEW YORK CITY (Enter on Line 1, Page 1)			

600M-705768-17B(68) 345

IT-113X (4/66) STATE OF NEW YORK - DEPARTMENT OF TAXATION AND FINANCE

INCOME TAX BUREAU - DIVISION 50 - P.O. BOX 5048, ALBANY, N. Y. 12205

E 257

CLAIM FOR CREDIT OR REFUND OF PERSONAL INCOME TAX AND/OR UNINCORPORATED BUSINESS INCOME TAX

A SEPARATE CLAIM MUST BE FILED FOR EACH TAX YEAR

PRINT TAXPAYER'S NAME AS SHOWN ON RETURN	TAX YEAR FOR WHICH CLAIM IS MADE IF FISCAL YEAR GIVE ENDING DATE
NAME OF TAXPAYER(S) Newburger, Loeb & Co.	1967
PRESENT ADDRESS 5 Hanover Square	~~SOCIAL SECURITY NUMBERS~~ BUSINESS ID# 12-1276842
New York, New York 10004	WIFE:
ADDRESS ON THE RETURN IF DIFFERENT	THIS SPACE FOR OFFICE USE ONLY
	DATE CLOSED:
PRINT NAME AND ADDRESS OF REPRESENTATIVE, IF ANY. SEE INSTRUCTION NO. 6 ON BACK OF THIS FORM. → Albert R. Dworkin, 7 The Pines, Old Westbury, New York	SIGNATURE:

TOTAL AMOUNT OF TAX PAID

$ 104,169.29

AMOUNT OF REFUND OR CREDIT CLAIMED

$ 104,169.29*

* Plus any additional amount computed to be due.

Give a full explanation below, including all facts on which your claim is based. Use additional sheets if required.

Taxpayer's unincorporated business tax return for the year 1970 shows a net loss in the amount of $4,191,625.

In accordance with Sec. 706, Subdiv. 2, of Art. 23 of the tax law, the loss is being carried back to 1967, eliminating the reported 1967 taxable income of $2,604,232.21 reflected in the return filed.

A schedule attached hereto demonstrates that more than 80% of the aggregate interests in the loss year unincorporated business tax gross income and deductions were held by persons who were also partners in the carryback deduction year. That schedule also demonstrates that 95.94% of the interests in the carryback deduction year were held by these same partners. A 1967 deduction for $4,021,445 (95.94% of the carryback of $4,191,625) should be allowed, fully eliminating any 1967 tax liability.

The undersigned taxpayer(s) makes the claim for credit or refund of tax paid in accordance with sections 687 and 722 of the New York State Tax Law. The undersigned declares that this claim and any attachments have been examined and to the best of his knowledge and belief are true and correct.

of Andrew Newburger, Partner — 11/3/71

Signature(s) of Taxpayer(s) or Agent — Date

If this claim is signed by any person other than the taxpayer, it must be accompanied by duly executed power of attorney.

PLEASE READ INSTRUCTIONS ON BACK OF THIS FORM

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

	LOSS YEAR 1970		DEDUCTION YEAR 1967	
	SHARE OF EXCESS OF DEDUCTIONS OVER INCOME		SHARE OF EXCESS OF INCOME OVER DEDUCTIONS (1) (PRIOR TO CARRYBACK DEDUCTION)	
	AMOUNT	%	AMOUNT	%
George F. Conniff	$ 24,745	.59	$ 43,289.07	1.66
Edward R. Holt	104,045	2.48	93,743.90	3.60
Andrew M. Newburger	677,210	16.15	407,862.76	15.66
Estate of Morris Newburger	152,569	3.64	420,813.51(2)	16.16
Robert L. Newburger	907,182	21.64	419,992.71	16.13
Benjamin F. Peyser	56,512	1.35	87,670.78	3.37
Harold J. Richards	176,801	4.22	181,667.93	6.98
Adolphus Roggenburg	14,640	.35	112,591.97	4.32
Julius S. Schnall	41,900	1.00	49,488.81	1.90
Leo Stern	422,809	10.08	264,343.15	10.15
Robert L. Stern	908,457	21.67	416,825.07	16.01
Aggregate	3,486,870	83.17	2,498,289.66	95.94
Total for Partnership	$4,191,625	100.00	$2,604,232.26	100.00

(1) After deduction of percentage shares of allowance for partners' services and exemption per return filed.

(2) Income reported by the decedent individually for 1967

COMPUTATION OF REVISED TAXABLE INCOME 1967

Total New York income after additions per return as filed (Schedule U-A, Line 14)	$ 2,674,232
Net operating (loss) carryback ($4,191,625 x 95.94%)	(4,021,445)
Carryforward to 1968	$(1,347,213)

IT-204 New York State Partnership Return 1967

Income and Unincorporated Business Tax (fiscal year ended _____)

Page 1

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R

NY State Department of Taxation and Finance

Name	Employer identification number
NEWBURGER LOEB & CO.	12-1276842
Address (Number and street or rural route): 5 HANOVER SQUARE	
City, village, post office and State: NEW YORK, NEW YORK	ZIP code: 10004

A) Kind of business: STOCK BROKERAGE

B) Did you file a New York State partnership return for 1965? Yes 1966? Yes

C) If not, state reason

D) If return was filed under name or address different from above, give name or address used:

Enter items of income and deductions as reported on Federal Form 1065 Indicate method of accounting: ☐ cash; ☒ accrual; ☐ other.

Income	1 Gross receipts or gross sales _____ Less: Returns and allowances _____	7,114,677 86
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	
	3 Gross profit	7,114,677 86
	4 Income (loss) from other partnerships, syndicates, etc. (attach statement)	
	5 Nonqualifying dividends (for Federal tax purposes)	
	6 Interest (fully taxable for Federal tax purposes)	1,425,383 90
	7 Rents (Schedule B)	
	8 Royalties (attach schedule)	
	9 Net farm profit (loss) (attach copy of Federal Schedule F, Form 1040)	
	10 Net gain (loss) from sale or exchange of property other than capital assets (from copy of Federal Schedule D, Form 1065 to be attached)	
	11 Other income not separately reportable on Schedule K (attach schedule)	
	12 Total income (lines 3 through 11)	8,540,061 76
Deductions	13 Salaries and wages (other than to partners)	4,039,130 41
	14 Payments to partners — salaries and interest	
	15 Rent	304,998 59
	16 Interest (Schedule J)	
	17 Taxes (Schedule J)	342,824 47
	18 Losses by fire, storm, shipwreck, other casualty or theft (attach statement)	
	19 Bad debts (Schedule H if reserve method is used)	6,912 96
	20 Repairs	
	21 Depreciation (Schedule I)	40,809 16
	22 Amortization (attach schedule)	
	23 Depletion (attach schedule)	
	24 Retirement plans, etc. (other than for partners — see instructions)	
	25 Other deductions authorized by law and not separately reportable on Sch. K (explain in Sch. J)	1,213,929 89
	26 Total deductions (lines 13 through 25)	5,998,804 48
	27 Ordinary income (loss) (line 12 less line 26)	2,541,257 28

Schedule U-D — Unincorporated Business Tax and Payments

Tax and Payments	28 Net Income (line 20 Schedule U-A or line 15 Schedule U-C, page 4)		2,603,232 26
	29 Less: Exemption (see instructions)		5,000 —
	30 TAXABLE BUSINESS INCOME		2,604,232 26
	31 Tax on amount of line 30 — Enter 4% of line 30	104,169 29	For office use only
	32 Business Tax Credit (see page 4 of instructions)		
	33 Unincorporated business tax (line 31 less line 32)	104,169 29	
	34 Payments on partnership unincorporated business estimated tax	73,000 —	
	35 If line 33 is larger than line 34, enter Balance Due	31,169 29	
	36 If line 34 is larger than line 33, enter Overpayment		
	37 Amount of line 35 to be credited to 1968 estimated tax on Form IT-1105-UB		
	38 Amount of line 36 to be Refunded		

Sign here

Attach remittance for amount of Balance Due (line 35) payable to "NY State Income Tax Bureau."

Signature of partner or member — Date

274 MADISON AVE. NEW YORK, N.Y. 10016

Signature of preparer other than partner or member — Address — Date

NEUBERGER LOEB & Co.

DISTRIBUTION FOR TAX

1961

Federal	Social Security Number	Ordinary Net Income	Share of Investment Credit Recovery	Share of Investment Credit Credit	Additions for New Clients
Roy G. Neuberger	N.C., N.Y. 136-26-0592	4049733 13	340679	23848	431
Leo Breslin	Lakewood, N.J. 136-26-1570	2583041 7	185823	13007	235
Vincent A. Hommeyer	N.Y., N.Y. 064-01-5918	4089129 3	340679	23848	431
William M. Neuberger	N.Y., N.Y. 074-12-2092	3967829 8	340679	23848	431
Robert L. Loeb, Lakewood, N.J.	N.Y. 092-20-9421	3637452 7	340679	23848	431
Trustee Collected N. Neuberger	N.C. 13-6126294	358551 0	—	—	—
Charles H. Golde	N.C. 136-12-2602	2208750	—	—	—
James F. Thistleton	N.J. 065-07-0258	20600 —	—	—	—
Benjamin F. Pevsner	N.Y. 065-09-2498	876107 8	—	—	—
James Schmidt	N.Y. 134-05-3624	481330 9	40146	2810	50906
Theodore Rosenburg	N.Y. 112-05-0742	1107463 9	56707	3969	71905
Harold J. Richards	N.Y. 064-01-5924	1763571 7	163315	11432	207038
George F. Colony	N.J. 063-01-9772	419833 5	40146	2810	50906
Edward K. Holt	N.C. 063-30-0158	910948 0	81502	5705	103347
William A. McGovern	N.J. 084-03-3546	28000 —	—	—	—
		25414572 8	1930355	135125	2447749

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NEWBIGGER LOEB + Co
SCHEDULES
1967

OTHER DEDUCTIONS		
BRANCH OFFICE EXPENSE		6627683
STATIONERY, PRINTING AND POSTAGE		12889096
INSURANCE		83046—
ADVERTISING		5045086
TELEPHONE		17570182
HOME OFFICE EXPENSE		14801183
LEGAL AND ACCOUNTING		10000671
TICKERS, TELEREGISTER, ETC		17916808
BUSINESS AND ENTERTAINMENT EXP.		50109—
PROFIT SHARING PLAN CONTRIBUTION		75000—
EXCHANGE FEES AND EXPENSES		2072675
		126392889
CAPITAL RECONCILIATION		
CAPITAL - JANUARY 1, 1967		306207663
CREDITS		
ORDINARY INCOME	254145728	
NON-TAXABLE BOND INTEREST	5110380	
ADDITIONAL DEPRECIATION	134512	
SECURITY INCOME AND DEBITS NOT REFLECTED ON BOOKS	195415	
INCREASE IN VALUE OF SECS	56718181—	
		316524365
		622732028
CHARGES		
INTEREST ON PARTNERS CAPITAL	17773809	
DRAWINGS	166155461	
		183929270
CAPITAL - DECEMBER 31, 1967		438802758

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Schedule A — Cost of goods sold

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)			
2 Purchases			
Less: Cost of items withdrawn for personal use			
3 Cost of labor			
4 Material and supplies			
5 Other costs (attach schedule)			
6 Total of lines 1 through 5			
7 Less: Inventory at end of year			
8 Cost of goods sold. Enter here and on line 2, page 1			

Note: Any items specially allocated to the partners should be included in the appropriate column of Schedule K, instead of the lines indicated by Schedules B through J. (see instructions)

Schedule B — Income from rents

1 Kind and location of property	2 Amount of rent	3 Fed. depr. (explain i	4 Repairs (explain in Sch. J)	5 Other expenses (explain in Sch. J)
1 Totals.				
2 Net income (loss) (column 2 less sum of columns 3, 4, and 5). (Enter on line 7, page 1)				

Schedule D — Attach a copy of Federal Schedule D (Form 1065) to report sales or exchanges of property

Schedule F — Attach a copy of Federal Schedule F (Form 1040) to report profit (loss) from farming

Schedule H — Bad Debts (Line 19, page 1)

1 Year	2 Trade notes and accounts receivable outstanding at end of year	3 Sales on account	Amount added to reserve		6 Amount charged against reserve	Reserve for bad debts at end of year
			4 Current year's provision	5 Recoveries		
1962						
1963						
1964						
1965						
1966						
1967						

Schedule I — Depreciation (claimed on pages 1, 2 and 3)

1 Group and guideline class — — — OR — — — Description of property	2 Fed. cost or other basis at beginning of year — — — OR — — — Cost or other basis	3 Asset additions in year (amount) — — OR — — Date acquired	4 Asset retirements in year (amount) (applicable only to Fed. Rev. Proc. 62-21)	5 Federal depreciation allowed or allowable in prior years	6 Federal method of computing depreciation	7 Class life — OR — Rate (%) or life	8 Federal depreciation for this year
1 Total additional first-year depreciation (do not include in items below)							
FURNITURE AND FIXTURES	112,384.32		FROM 3-10	YEARS - AVERAGE 8 YEARS			40,809 16
2 Total							40,809 16
3 Less: Amount of depreciation claimed on line 1 above and in Schedules A and B							NONE
4 Balance—Enter here and on line 21, page 1							40,809 16

Schedule J — Explanation of lines 16, 17, and 25 on page 1, and of columns 4 and 5 of Schedule B

Line or column	Explanation	Amount		Line or column	Explanation	Amount	
17	FEDERAL TAXES	101,553	12	25	SCHEDULE ATTACHED	1,263,928	89
	N.Y.C. PART-OWNERSHIP	15,457	33				
	N.Y.C. GROSS RECEIPTS	3,914	04				
	N.Y.S. UNINCORPORATED BUS. TAX	112,000	—				
	N.Y.C.	112,000	—				
		344,924	79				

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Schedule K — Partners' shares of income and deductions (see note below)

% Interest	1 Give full name, address, social security number and percentage of partner's interest in the partnership. (Name and address should be as shown on individual income tax return of the member partner.) Name and address	Social security number	2 Percentage of time devoted to business	4 Ordinary income (loss) (line 27, page 1)	5 Additional first-year depreciation
a)	SCHEDULE ATTACHED				
b)					
c)					
d)					
e)					
100 %	Totals				

Continuation of Schedule K

Summary of other items required to be reported separately by partners. (see instructions)

	6 Payments to partners—salaries and interest (line 14, page 1)	7 Qualifying dividends (as reported for Federal tax purposes)	8 Net short-term gain (loss) from sale or exchange of capital assets (from Federal Sch. D)	9 Net long-term gain (loss) from sale or exchange of capital assets (from Federal Sch. D)	10 Net gain (loss) under I. R. C. section 1231 (from Federal Schedule D)	11 Partners' shares of other income items (attach schedule)	12 Partners' shares of other deduction items (attach schedule)
a)							
b)							
c)							
d)							
e)							
Totals							

Schedule P — Partners' shares of changes from Federal items (see note below)

Partner as in Schedule K	Changes from total Federal income of partners — Additions: 1 Interest income on state and local bonds, other than New York.	2 Income (and unincorporated business) taxes.	3 Other additions. See instructions. (attach schedule)	Subtractions: 4 Interest income on United States obligations.	5 Portion of gain from disposition of property having a higher NY basis than Federal basis (Report at 100%—see instructions)	6 Other subtractions. See instructions. (attach schedule)
a)						
b)	SCHEDULE ATTACHED					
c)						
d)						
e)						
Totals	22,774.98	222,000.—				

Changes from Federal itemized deductions of partners

(Enter amounts in Cols. 7 or 8 only if not required to be entered in Cols. 2, 3 or 6—see instructions)

	7 Additions — See instructions. (attach schedule)	8 Subtractions — See instructions. (attach schedule)
a)		
b)		
c)		
d)		
e)		
Totals		

9 Recapitulation of changes from Federal items for Unincorporated Business Tax purposes.

See instructions for possible adjustments before making entries on lines below.

(Complete this column only if page 4 is required to be used.)

Items increasing total income from business:		
1 Enter total of Col. 1, Sch. P	22,774	98
2 Enter total of Col. 2, Sch. P — N.Y.C. Partnership Tax	110,000	—
3 Enter total of Col. 3, Sch. P		
4 Total additions (enter on line 13, Sch. U-A, page 4)	132,774	98
Items decreasing total income from business:		
5 Enter total of Col. 4, Sch. P		
6 Enter total of Col. 5, Sch. P		
7 Enter total of Col. 6, Sch. P		
8 Total subtractions (Enter on line 15, Sch. U-A, page 4)		

Note: If the partnership (a) has a nonresident member and (b) carries on business both inside and outside the State of New York, prepare schedule of allocation on Form IT-204-A and attach it to this return.

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Schedule U-A — Enter total amounts of income and deductions from Schedule K, page 3.
(If business is carried on both inside and outside New York State, see instructions for method of reporting.)

A) Indicate date business begun 6/1/42 B) If business terminated during the year, state date terminated (mo., day)

1 Ordinary income (loss)	(Column 4, Schedule K)	2,541,457 28
2 Payments to partners — salaries and interest No Salaries - Interest Included	(Column 6, Schedule K)	Included Above
3 Qualifying dividends (as reported for Federal tax purposes)	(Column 7, Schedule K)	
4 Net short-term gain (loss) from sale or exchange of capital assets	(Column 8, Schedule K)	
5 Net long-term gain (loss) from sale or exchange of capital assets	(Column 9, Schedule K)	
6 Net gain (loss) from sale or exchange of property under I. R. C. section 1231	(Column 10, Schedule K)	
7 Partners' shares of other income items	(Column 11, Schedule K)	
8 Total of lines 1 through 7		2,541,457 28
9 Less: (a) Additional first-year depreciation (see instructions for possible adjustment (Column 5, Sch. K)		
(b) Partners' shares of other deduction items (see instructions for possible adjustment) (Column 12, Sch. K)		None
10 Balance		2,541,457 28
11 Less: (a) Rental income from real property situated outside NY State included on line 8 (if loss, add)		
(b) Gain from disposition of real property situated outside NY State included on line 8 (if loss, add)		None
12 Total income from business before New York modifications		2,541,457 28
If there are no entries on lines 13 or 15, enter amount from line 12 on line 16		
13 Additions (enter total additions from line 4, Col. 9, Sch. P, page 3)		132,774 98
14 Total of lines 12 and 13		2,674,232 26
15 Subtractions (enter total subtractions from line 8, Col. 9, Sch. P, page 3)		
16 Total income from business (line 14 less line 15)		2,674,232 26
17 Less: Contributions (not to exceed 5% of line 16) (see instructions)		
18 BALANCE		2,674,232 26
19 Less: Allowance for partners' services (see instructions)		65,000 —
20 NET INCOME FROM BUSINESS—Enter on line 28, page 1, unless allocation in Schedule U-C is required		2,609,232 26

Complete Schedules below only if business is carried on both inside and outside New York State. (see instructions)

Schedule U-B — List all places, BOTH INSIDE AND OUTSIDE New York State, where you carry on business.

1 Street address	2 City and state	3 Description (see instructions)

Schedule U-C — Formula Basis allocation of income, if books do not reflect income earned in New York.

1 DESCRIPTION OF ITEMS USED AS FACTORS	2 TOTALS—Inside and outside the State	3 NEW YORK STATE AMOUNTS	4 PER CENT COLUMN 3 IS OF COLUMN 2
1 AVERAGE VALUE OF THE REAL AND TANGIBLE PERSONAL PROPERTY OF THE BUSINESS: (see instructions)			
a) REAL PROPERTY OWNED	$	$	%
b) REAL PROPERTY RENTED FROM OTHERS			%
c) TANGIBLE PERSONAL PROPERTY OWNED			%
d) TOTAL OF LINES 1a, 1b and 1c			%
2 WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPENSATION PAID DURING THE YEAR			%
3 GROSS SALES OF MERCHANDISE, OR CHARGES FOR SERVICES, DURING THE YEAR			%
4 Total of percentages in Column 4			%
5 BUSINESS ALLOCATION PERCENTAGE (Divide total percentages (line 4) by 3)			
6 Enter Line 18, Schedule U-A above			
7 Add New York net operating loss deduction, if any, included on line 15, Sch. U-A			
8 Subtract income or gain from NY real property included on line 15, Sch. U-A (if loss, add) (see instructions)			
9 Balance			
10 Amount allocated to New York State (Multiply line 9 by Business Allocation Percentage on line 5)			
11 Add income or gain from New York real property—Line 8, this schedule (if loss, subtract)			
12 Subtract New York net operating loss deduction—Line 7, this schedule			
13 Balance			
14 Less: Allowance for partners' services (see instructions)			
15 NET INCOME FROM BUSINESS ALLOCATED TO NEW YORK STATE (Enter on line 28, page 1)			

IT-113X (4/6

STATE OF NEW YORK - DEPARTMENT OF TAXATION AND FINANCE

INCOME TAX BUREAU - DIVISION 50 - P.O. BOX 5048, ALBANY, N. Y. 12205

E 265

CLAIM FOR CREDIT OR REFUND OF PERSONAL INCOME TAX AND/OR UNINCORPORATED BUSINESS INCOME TAX

A SEPARATE CLAIM MUST BE FILED FOR EACH TAX YEAR

PRINT TAXPAYER'S NAME AS SHOWN ON RETURN	TAX YEAR FOR WHICH CLAIM IS MADE IF FISCAL YEAR GIVE ENDING DATE
NAME OF TAXPAYER(S) Newburger, Loeb & Co.	1968
PRESENT ADDRESS 5 Hanover Square	ID# 12-1276842
New York, New York 10004	WIFE:
ADDRESS ON THE RETURN IF DIFFERENT	THIS SPACE FOR OFFICIAL USE ONLY
	DATE CLOSED:
PRINT NAME AND ADDRESS OF REPRESENTATIVE, IF ANY. SEE INSTRUCTION NO. 6 ON BACK OF THIS FORM. → Albert R. Dworkin, 7 The Pines, Old Westbury, New York	SIGNATURE:

TOTAL AMOUNT OF TAX PAID

$ 157,089

AMOUNT OF REFUND OR CREDIT CLAIMED

$ 70,066*

* Plus any additional amount computed to be due.

Give a full explanation below, including all facts on which your claim is based. Use additional sheets if required.

Taxpayer's unincorporated business tax return for the year 1970 shows a net loss in the amount of $4,191,625.

In accordance with Sec. 706, Subdiv.2, of Art. 23 of the tax law, the loss is being carried back to 1967, eliminating the reported 1967 taxable income of $2,604,232.21 reflected in the return filed and the balance is being carried forward to 1968.

A schedule attached hereto demonstrates that more than 80% of the aggregate interests in the loss year unincorporated business tax gross income and deductions were held by persons who were also partners in the carryback deduction year. That schedule also demonstrates that 94.56% of the interests in the carryback deduction year were held by these same partners.

A 1968 deduction for $1,273,925 (94.56% of the unused portion of the carryback of $1,347,213) should be allowed, reducing the 1968 tax liability by $70,066 (per schedule attached).

The undersigned taxpayer(s) makes the claim for credit or refund of tax paid in accordance with sections 687 and 722 of the New York State Tax Law. The undersigned declares that this claim and any attachments have been examined and to the best of his knowledge and belief are true and correct.

/s/ Andrew Newburger, Partner — 11/3/71

Signature(s) of Taxpayer(s) or Agent — Date

If this claim is signed by any person other than the taxpayer, it must be accompanied by duly executed power of attorney.

PLEASE READ INSTRUCTIONS ON BACK OF THIS FORM

NEWBURGER, LOEB & CO.

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

	LOSS YEAR 1970		DEDUCTION YEAR 1968	
	SHARE OF EXCESS OF DEDUCTIONS OVER INCOME		SHARE OF EXCESS OF INCOME OVER DEDUCTIONS (1) (PRIOR TO CARRYBACK DEDUCTION)	
	AMOUNT	%	AMOUNT	%
George F. Conniff	$ 24,745	.59	$ 48,101.92	1.68
Edward R. Holt	104,045	2.48	102,254.67	3.58
Andrew M. Newburger	677,210	16.15	449,654.82	15.76
Estate of Morris Newburger	152,569	3.64	351,404.87	12.30
Robert L. Newburger	907,182	21.64	465,963.22	16.31
Benjamin F. Peyser	56,512	1.35	153,941.98	5.39
Harold J. Richards	176,801	4.22	195,782.74	6.85
Adolphus Roggenburg	14,640	.35	118,633.59	4.15
Julius S. Schnall	41,900	1.00	51,250.94	1.79
Leo Stern	422,809	10.08	295,133.94	10.33
Robert L. Stern	908,457	21.67	468,924.89	16.42
Aggregate	3,486,870	83.17	2,701,047.58	94.56
Total for Partnership	$4,191,625	100.00	$2,856,164.67	100.00

(1) After deduction of percentage shares of allowance for partners' services and exemption, per return filed.

COMPUTATION OF REVISED TAXABLE INCOME
1968

Total New York income after additions per return as filed (Schedule U-A, Line 14)	$2,926,165
Net operating (loss) carryforward from 1967 ($1,347,213 x 94.56%) See Note A	(1,273,925)
Balance	1,652,240
Less, allowance for partners' services	65,000
Revised net income	1,587,240
Less, exemption	5,000
	$1,582,240

(continued)

NEWBURGER, LOEB & CO.

E 267

PERSONS HAVING INTERESTS IN THE EXCESS OF UNINCORPORATED BUSINESS GROSS INCOME OVER UNINCORPORATED BUSINESS DEDUCTIONS OF THE PARTNERSHIP AND THE DEDUCTIONS EXCESS IN BOTH THE LOSS YEAR AND THE CARRYBACK DEDUCTION YEAR

Tax @ 5½%	$ 87,023
Less, tax per return filed	157,089
To be refunded	$(70,066)

Note A:

1970 net operating loss	$4,191,625
Eligible for carryback @ 95.94% to 1967	$4,021,445
Actually used in 1967	2,674,232
Balance - eligible for carryforward	$1,347,213

IT-204 New York State Unincorporated Business Tax Partnership Return 1968 (fiscal year ended _____)

E 268

NY State Department of Taxation and Finance

Name	Employer identification number
NEUBURGER, LOEB & Co.	12-1276842
Address (Number and street or rural route): 5 HANOVER SQUARE	
City, village, post office and State: NEW YORK, NEW YORK — **ZIP code**: 10004	

A) Kind of business: STOCK BROKERAGE B) Did you file a New York State partnership return for 1966? Yes 1967? Yes

C) If not, state reason

D) If return was filed under name or address different from above, give name or address used:

Enter items of income and deductions as reported on Federal Form 1065 Indicate method of accounting: ☐ cash; ☑ accrual; ☐ other.

Income	1 Gross receipts or gross sales _____ Less: Returns and allowances _____	7,625,127 00
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	
	3 Gross profit	7,625,127 00
	4 Income (loss) from other partnerships, syndicates, etc. (attach statement)	
	5 Nonqualifying dividends (for Federal tax purposes)	
	6 Interest (fully taxable for Federal tax purposes)	2,044,812 50
	7 Rents (Schedule B)	
	8 Royalties (attach schedule)	
	9 Net farm profit (loss) (attach copy of Federal Schedule F, Form 1040)	
	10 Net gain (loss) from sale or exchange of property other than capital assets (from copy of Federal Schedule D, Form 1065 to be attached)	
	11 Other income not separately reportable on Schedule K (attach schedule) BAD DEBT RECOVERIES	11,513 27
	12 Total income (lines 3 through 11)	9,681,452 77
Deductions	13 Salaries and wages (other than to partners)	4,837,142 08
	14 Payments to partners — salaries and interest	
	15 Rent & ELECTRIC	322,884 17
	16 Interest (Schedule J)	
	17 Taxes (Schedule J)	424,563 88
	18 Losses by fire, storm, shipwreck, other casualty or theft (attach statement)	
	19 Bad debts (Schedule H if reserve method is used)	
	20 Repairs	
	21 Depreciation (Schedule I)	41,363 99
	22 Amortization (attach schedule)	
	23 Depletion (attach schedule)	
	24 Retirement plans, etc. (other than for partners — see instructions)	
	25 Other deductions authorized by law and not separately reportable on Sch. K (explain in Sch. J)	1,581,692 42
	26 Total deductions (lines 13 through 25)	7,207,646 54
	27 Ordinary income (loss) (line 12 less line 26)	2,473,806 23

COPY

Schedule U-D — Unincorporated Business Tax and Payments

Tax and Payments		
	28 Net income (line 20 Schedule U-A or line 15 Schedule U-C, page 4)	2,961,164 67
	29 Less: Exemption (see instructions)	5,000 —
	30 TAXABLE BUSINESS INCOME	2,956,164 67
	31 Enter 5½% of amount on line 30 (If Eligible Urban Area Incentive Credit is claimed, see instructions)	157,089 06
	32 Business Tax Credit (see page 4 of instructions)	
	33 Unincorporated business tax (line 31 less line 32)	157,089 06
	34 Payments on partnership unincorporated business estimated tax	105,000 —
	35 If line 33 is larger than line 34, enter Balance Due	52,089 06
	36 If line 34 is larger than line 33, enter Overpayment	
	37 Amount of line 36 to be credited to 1969 estimated tax on Form IT-2105-UB	
	38 Amount of line 36 to be Refunded	

For office use only

Sign here ▶ Attach remittance for amount of Balance Due (line 35) payable to "NY State Income Tax Bureau."

Signature of partner or member Date

274 Madison Ave New York, New York

Signature of preparer other than partner or member Address Date

OTHER DEDUCTIONS

BRANCH OFFICE EXPENSE	8501288
STATIONERY, PRINTING AND POSTAGE	16736466
INSURANCE	9773978
ADVERTISING	3187096
TELEPHONE	19016479
HOME OFFICE EXPENSE	25630209
LEGAL AND ACCOUNTING	16316856
DATA PROCESSING EXPENSE	7099530
TICKERS, TELEREGISTER, ETC.	18691551
PROFIT SHARING PLAN CONTRIBUTION	50000—
EXCHANGE FEES AND EXPENSES	28155809
	158109262

CAPITAL RECONCILIATION

CAPITAL - JANUARY 1, 1968		438602758
CREDITS		
ORDINARY INCOME	254441271	
CAPITAL GAINS - LONG TERM	21875440	
- SHORT TERM	688—	
NON-TAXABLE BOND INTEREST	3923229	
SECURITY INCOME AND DEBITS NOT REFLECTED ON BOOKS	50803	
INCREASE IN VALUE OF SEATS	182555-	
CAPITAL CONTRIBUTED	654000—	
		364020043
		802622801
CHARGES		
INTEREST ON PARTNERS CAPITAL	28961357	
DRAWINGS	281342905	
TAX BASIS ADJ. RE: CAPITAL GAINS	21138271	
		331490533
		471132268

E 270

Newburger Loeb & Co.
Distribution for Tax
1948

Federal	Social Security Number		Ordinary Net Income	Capital Gains Long Term	Capital Gains Short Term		Shares of Investment Credit Purchased	Shares of Investment Credit Credit		Additions for New York State	Less New York Cr. Capital Gain Percentage
Estate of Morris Newburger	N.Y.	13-6275623	310004 21	2502 2	91 35		4122 61	282 53		3748 03	71 46
" " Lester Newburger	N.Y.	13-6196294	33605 40								
" " Sydney R. Golde	N.Y.	13-6269743	19718 88							2918 49	553
Leo Stern	Larchmont, N.Y.	133-26-1376	21229 79	4354 75	71 12		320 90	224 62		5262 43	1022
Robert J. Newburger	N.Y.	114-01-5913	401 286 22	62946 41	1303 38		5284 10	411 11		5247 43	1022
Robert L. Stern	Larchmont, N.Y.	112-20-9121	409 847 89	45290 66	1303 38		5284 10	411 11		5247 43	1022
Harold M. Newburger	N.Y.	67-12-2072	391 577 22	61661 28	1303 28		5224 90	411 11			
John F. Tillotson	N.J.	015-64-6253	20004 33								
Benjamin F. Pierce	N.Y.	015-09-2493	153941 32							592 779	117
Julius Schmoll	N.Y.	109-05-3127	14476 50	3924	14 37		64 50	45 25		833 36	159
Rudolph Rosenberg	N.Y.	112-05-0742	16943 11	566 29	20 30		91 37	64 15		2331 35	441
Herbert J. Richards	N.Y.	044-61-5924	170221 43	1542 16	56 31		2541 36	177 10		5277 19	112
George F. Cosniff	N.J.	043-01-9172	41617 48	392 46	14 32		64 50	45 25		1195 26	228
Edward R. Hoyt	N.Y.	063-30-0153	89036 39	1980	29 14		1315 03	92 15			
William O'Gorman	N.J.	096-02-2546	30000 —								
Gerald N. Frank	N.Y.	056-10-6753	20500 57								
Wilfrid S. Iris	N.Y.	096-28-8798	3128 91								
			2594412 71	218754 40	692 00		31051 27	2172 59		29230 51	5400

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Schedule A — Cost of goods sold

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)			
2 Purchases			
Less: Cost of items withdrawn for personal use			
3 Cost of labor			
4 Material and supplies			
5 Other costs (attach schedule)			
6 Total of lines 1 through 5			
7 Less: Inventory at end of year			
8 Cost of goods sold. Enter here and on line 2, page 1			

Note: Any items specially allocated to the partners should be included in the appropriate column of Schedule K, instead of the lines indicated by Schedules B through J. (see instructions).

Schedule B — Income from rents

1 Kind and location of property	2 Amount of rent	3 Fed. depreciation (explain in Sch. I)	4 Repairs (explain in Sch. J)	5 Other expenses (explain in Sch. J)
1 Totals				
2 Net income (loss) (column 2 less sum of columns 3, 4, and 5). (Enter on line 7, page 1)				

Schedule D — Attach a copy of Federal Schedule D (Form 1065) to report sales or exchanges of property

Schedule F — Attach a copy of Federal Schedule F (Form 1040) to report profit (loss) from farming

Schedule H — Bad Debts (Line 19, page 1)

1 Year	2 Trade notes and accounts receivable outstanding at end of year	3 Sales on account	Amount added to reserve		6 Amount charged against reserve	7 Reserve for bad debts at end of year
			4 Current year's provision	5 Recoveries		
1963						
1964						
1965						
1966						
1967						
1968						

Schedule I — Depreciation (claimed on pages 1, 2 and 3)

1 Group and guideline class — OR — Description of property	2 Fed. cost or other basis at beginning of year — OR — Cost or other basis	3 Asset additions in year (amount) — OR — Date acquired	4 Asset retirements in year (amount) (applicable only to Fed. Rev. Proc. 62-21)	5 Federal depreciation allowed or allowable in prior years	6 Federal method of computing depreciation	7 Class life — OR — Rate (%) of life	8 Federal depreciation for this year
1 Total additional first-year depreciation (do not include in items below)							
Furniture + Fixtures	135,254.11		From 3 To 10 Years - Average 8 Years				41,363.99
2 Total							41,363.99
3 Less: Amount of depreciation claimed on line 1 above and in Schedules A and B							None
4 Balance — Enter here and on line 21, page 1							41,363.99

Schedule J — Explanation of lines 16, 17, and 25 on page 1, and of columns 4 and 5 of Schedule B

Line or column	Explanation	Amount	Line or column	Explanation	Amount
17	Property Taxes	135,172.51	25	Schedule Attached	1,581,092.62
	N.Y.S. Sales Commission	17,388.37			
	N.Y.S. Unincorporated Bus. Tax	152,000.00			
	U.S.	120,000.00			
		424,560.88			

Schedule K — Partners' shares of income and deductions (see note below)

E 272

% Interest	Name and address	Social security number	2 Percentage of time devoted to business	4 Ordinary income (loss) (line 27, page 1)	5 Additional first-year depreciation
a)	SCHEDULE ATTACHED				
b)					
c)					
d)					
e)					
100%	Totals				

Continuation of Schedule K

Summary of other items required to be reported separately by partners. (see instructions)

	6 Payments to partners—salaries and interest (line 14, page 1)	7 Qualifying dividends (as reported for Federal tax purposes)	8 Net short-term gain (loss) from sale or exchange of capital assets (from Federal Sch. D)	9 Net long-term gain (loss) from sale or exchange of capital assets (from Federal Sch. D)	10 Net gain (loss) under I. R. C. section 1231 (from Federal Schedule D)	11 Partners' shares of other income items (attach schedule)	12 Partners' shares of other deduction items (attach schedule)
a)							
b)							
c)							
d)							
e)							
Totals							

Schedule P — Partners' shares of changes from Federal items (see note below)

Partner as in Schedule K	Changes from total Federal income of partners					
	Additions			Subtractions		
	1 Interest income on state and local bonds, other than New York	2 Income (and unincorporated business) taxes	3 Other additions. See instructions. (attach schedule)	4 Interest income on United States obligations	5 Portion of gain from disposition of property having a higher NY basis than Federal basis (Report at 100%—see instructions)	6 Other subtractions. See instructions. (attach schedule)
a)						
b)	SCHEDULE ATTACHED					
c)						
d)						
e)						
Totals	10,309.56	272,000.—				

Changes from Federal itemized deductions of partners (Enter amounts in Cols. 7 or 8 only if not required to be entered in Cols. 2, 3 or 6—see instructions)		9 Recapitulation of changes from Federal Items for Unincorporated Business Tax purposes. See instructions for possible adjustments before making entries on lines below. (Complete this column only if page 4 is required to be used.)	
Additions	Subtractions		
7 See instructions. (attach schedule)	8 See instructions. (attach schedule)	Items increasing total income from business:	
		1 Enter total of Col. 1, Sch. P	10,309.56
		2 Enter total of Col. 2, Sch. P N.Y.S. UNINCORP. TAX	152,000.—
		3 Enter total of Col. 3, Sch. P	
		4 Total additions (enter on line 13, Sch. U-A, page 4)	11,2,309.56
		Items decreasing total income from business:	
		5 Enter total of Col. 4, Sch. P	
		6 Enter total of Col. 5, Sch. P	
		7 Enter total of Col. 6, Sch. P	
		8 Total subtractions (Enter on line 15, Sch. U-A, page 4)	

Note: If the partnership (a) has a nonresident member and (b) carries on business both inside and outside the State of New York, prepare schedule of allocation on Form IT-204-A and attach it to this return.

Schedule U-A — Enter total amounts of income and deductions from Schedule K, page 3.

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(If business is carried on both inside and outside New York State, see instructions for method of reporting.)

A) Indicate date business begun 1/1/12 B) If business terminated during the year, state date terminated (mo., day)

1 Ordinary income (loss)	(Column 4, Schedule K)	2,544,412 71
2 Payments to partners — salaries and interest Mr. Salaries - Interest Included	(Column 6, Schedule K)	Included in Salaries
3 Qualifying dividends (as reported for Federal tax purposes)	(Column 7, Schedule K)	
4 Net short-term gain (loss) from sale or exchange of capital assets	(Column 8, Schedule K)	692 —
5 Net long-term gain (loss) from sale or exchange of capital assets	(Column 9, Schedule K)	218,750
6 Net gain (loss) from sale or exchange of property under I. R. C. section 1231	(Column 10, Schedule K)	
7 Partners' shares of other income items	(Column 11, Schedule K)	
8 Total of lines 1 through 7		2,763,855 11
9 Less: (a) Additional first-year depreciation (see instructions for possible adjustment) (Column 5, Sch. K)		
(b) Partners' shares of other deduction items (see instructions for possible adjustment) (Column 12, Sch. K)		None
10 Balance		2,763,855 11
11 Less: (a) Rental income from real property situated outside NY State included on line 8 (if loss, add)		
(b) Gain from disposition of real property situated outside NY State included on line 8 (if loss, add)		None
12 Total income from business before New York modifications		2,763,855 11
If there are no entries on lines 13 or 15, enter amount from line 12 on line 16		
13 Additions (enter total additions from line 4, Col. 9, Sch. P, page 3)		162,309 56
14 Total of lines 12 and 13		2926,164 67
15 Subtractions (enter total subtractions from line 8, Col. 9, Sch. P, page 3)		
16 Total income from business (line 14 less line 15)		2926,164 67
17 Less: Contributions (not to exceed 5% of line 16) (see instructions)		
18 BALANCE		2,926,164 67
19 Less: Allowance for partners' services (see instructions)		65,000 —
20 NET INCOME FROM BUSINESS—Enter on line 28, page 1, unless allocation in Schedule U-C is required		2861,164 67

Complete Schedules below only if business is carried on both inside and outside New York State. (see instructions)

Schedule U-B — List all places, BOTH INSIDE AND OUTSIDE New York State, where you carry on business.

1 Street address	2 City and state	3 Description (see instructions)

Schedule U-C — Formula Basis allocation of income, if books do not reflect income earned in New York.

1 DESCRIPTION OF ITEMS USED AS FACTORS	2 TOTALS—Inside and outside the State	3 NEW YORK STATE AMOUNTS	4 PER CENT COLUMN 3 IS OF COLUMN 2
1 AVERAGE VALUE OF THE REAL AND TANGIBLE PERSONAL PROPERTY OF THE BUSINESS: (see instructions)			
a) REAL PROPERTY OWNED	$	$	
b) REAL PROPERTY RENTED FROM OTHERS			
c) TANGIBLE PERSONAL PROPERTY OWNED			
d) TOTAL OF LINES 1a, 1b and 1c			%
2 WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPENSATION PAID DURING THE YEAR			%
3 GROSS SALES OF MERCHANDISE, OR CHARGES FOR SERVICES, DURING THE YEAR			%
4 Total of percentages in Column 4			
5 BUSINESS ALLOCATION PERCENTAGE (Divide total percentages (line 4) by 3)			%

6 Enter line 13, Schedule U-A above		
7 Add New York net operating loss deduction, if any, included on line 15, Sch. U-A		
8 Subtract income or gain from NY real property included on line 16, Sch. U-A (if loss, add) (see instructions)		
9 Balance		
10 Amount allocated to New York State (Multiply line 9 by Business Allocation Percentage on line 5)		
11 Add income or gain from New York real property—Line 8, this schedule (if loss, subtract)		
12 Subtract New York net operating loss deduction—Line 7, this schedule		
13 Balance		
14 Less: Allowance for partners' services (see instructions)		
15 NET INCOME FROM BUSINESS ALLOCATED TO NEW YORK STATE (Enter on line 28, page 1)		

PLAINTIFF'S EXHIBIT 125.

**Monthly Statements of Newburger Loeb
900 Acct. c/o Charles Gross.**

PERIOD ENDING	ACCOUNT	R.R.	PAGE
9-26-69	G-00600	122	1
LAST STMT. 8-29-69	S.S./I.D. NO. 1207		

00 ACCOUNT
C/O CHARLES GROSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

9 HANOVER SQUARE
NEW YORK, N.Y. 10004

TELEPHONE (212) 944-6300
CABLE ADDRESS "NEWBROHEND," N.Y.

DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION				
			OPENING BALANCE MARGIN ACCOUNT			571,524.22	
0829		100	MK CORP	28			2,794.94
0909		100	ITY INVESTING CO	29			2,884.67
0909		3,000	ITY INVESTING CO	29			86,473.45
0909		4,600	ITY INVESTING CO	28	7/8		141,239.47
0909		200	MK CORP	28	7/8		5,614.88
0910		1,000	MK CORP	27	5/8		27,449.45
0910		3,100	MK CORP	27	1/2		86,255.77
0910		3,700	MK CORP	27	7/8		99,713.00
0910		500	ITY INVESTING CO	27			14,412.21
0910		1,500	ITY INVESTING CO	28	7/8		42,674.14
0910		300	MK CORP	28	1/2		8,009.83
0910		100	MK CORP	26	3/4		2,669.94
0911		400	MK CORP	26	3/4		10,624.78
0912		500	MK CORP	26	5/8		13,224.73
0912		600	MK CORP	26	1/2		16,094.67
0912		400	MK CORP	26	7/8		
0912			CLEARANCE CHARGES SEPT 1969			670.00	
0912			CLOSING BALANCE MARGIN ACCOUNT			12,143.01	
0926							
			END OF STATEMENT				

YOU MAY HAVE RECEIVED CONFIRMATION FOR TRADES WHICH DO NOT APPEAR ON YOUR STATEMENT. HOWEVER, IF THE SETTLEMENT DATE OF TRADE AS SHOWN ON THE CONFIRMATION WAS LATER THAN THE DATE THAT APPEARS AT THE TOP OF YOUR STATEMENT THE TRADE WILL APPEAR ON YOUR NEXT REGULAR MONTHLY STATEMENT.

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FIRM AND NOT TO INDIVIDUALS AND KINDLY MENTION YOUR ACCOUNT NUMBER.

PLEASE PRESERVE THIS STATEMENT FOR INCOME TAX PURPOSES

E. & O. E. WE MUST BE ADVISED IMMEDIATELY OF ANY ERRORS OR OMISSIONS.

PLAINTIFF'S EXHIBIT 125. E 274

PERIOD ENDING	ACCOUNT	R.R.	PAGE
8-29-	00-60900	002	1
LAST STMT.	1283	S.S./I.D. NO.	

500 ACCOUNT
C/O CHARLES GROSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

9 HANOVER SQUARE
NEW YORK, N.Y. 10004

TELEPHONE (212) 944-8300
CABLE ADDRESS "NEWBROMEND," N.Y.

YOU MAY HAVE RECEIVED CONFIRMATION FOR TRADES WHICH DO NOT APPEAR ON YOUR STATEMENT. HOWEVER, IF THE SETTLEMENT DATE OF TRADE AS SHOWN ON THE CONFIRMATION WAS LATER THAN THE DATE THAT APPEARS AT THE TOP OF YOUR STATEMENT THE TRADE WILL APPEAR ON YOUR NEXT REGULAR MONTHLY STATEMENT.

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DATE	BOUGHT OR LOAN	SOLD OR REPAY	DESCRIPTION	EXCH.		
07 25			OPENING BALANCE MARGIN ACCOUNT		884,464.92	884,464.92
08 04			TO REVERSE G/L BAL AS OF 7/25	BAL		
08 05				BAL	883,867.94	
08 27					0.01	
08 27						0.01
08 27		1600	FAIRCHILD CAMERA & INSTRUMENT	64 1/4		99,278.07
08 27		400	SPERRY RAND	43 1/8		17,229.65
08 27		500	SPERRY RAND	43 1/4		21,599.56
08 27		1,600	SPERRY RAND	43		68,718.62
08 27		2000	SPERRY RAND	43 1/2		86,898.2
08 27		500	SPERRY RAND	43 1/4		21,599.56
08 28			CLOSING BALANCE MARGIN ACCOUNT		571,524.22	
08 29						
	10,000		AMK CORP	POS 28	280 000 —	
	10,000		CITY INVESTING CO	POS 29 1/4	292,500 —	
			END OF STATEMENT		**********	**********
					DR.	
					572,500 —	

DIV 0.00 INT 0.00 MUN 0.00 YTD CV 0.00 YTD INT 0.00 YTD MUN

REGISTERED REPRESENTATIVE

PLAINTIFF'S EXHIBIT 125.

E 275

ACCOUNT	R.R.	PAGE
6900	002	1

S.S./I.D. NO.

T WITH

Loeb & Co.

RS

K EXCHANGE
PAL EXCHANGES

ONE (212) 944-6300
ADDRESS "NEWBROHEND," N.Y.

IFIRMATION FOR TRADES
R STATEMENT. HOWEVER,
RADE AS SHOWN ON THE
N THE DATE THAT APPEARS
T THE TRADE WILL APPEAR
HLY STATEMENT.

NS TO THE FIRM AND NOT TO
OUR ACCOUNT NUMBER.

E. & O.E. WE MUST BE ADVISED
IMMEDIATELY OF ANY ERRORS
OR OMISSIONS.

DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION	PRICE OR ENTRY	AMOUNT CHARGED	AMOUNT CREDITED	ACCT. TYPE
			OPENING BALANCE MARGIN ACCOUNT			.00	27
			CLEARANCE CHARGE FOR 6-27-69		596.98		27
0706			AMK CORP	22 1/4	5,100.00		27
0707	200		AMK CORP	37 3/4	7,425.00		27
0707	800		AMK CORP	25	10,000.00		27
0707	400		AMK CORP	25 1/2	10,200.00		27
0707	400		AMK CORP	30 3/4	12,375.00		27
0707	300		AMK CORP	32	12,900.00		27
0707	800		AMK CORP	25 1/8	20,100.00		27
0707	900		AMK CORP	28 1/4	25,250.00		27
0707	2000		AMK CORP	29 1/2	64,250.00		27
0707	200		AMK CORP	25 1/4	2,532.53		27
0708	600		AMK CORP	25 7/8	5,436.15		27
0708	200		AMK CORP	25 1/4	10,230.12		27
0708	400		AMK CORP	25 5/8	12,850.05		27
0708	800		AMK CORP	25 1/8	20,360.24		27
0708	1600		AMK CORP	25 3/4	36,155.42		27
0708	500		AMK CORP	24 7/8	124,754.56		27
0708	5000		CITY INVESTING CO	24 7/8	124,754.56		27
0706	2100		CITY INVESTING CO	51 .18	53,266.06		27
0708	1000		SPERRY RAND	36 1/4	10,972.29		27
0707	500		GLOBAL MARINE INC	36 3/4	18,492.65		27
0707	1200		GLOBAL MARINE INC	36 5/8	44,046.66		27
0707	1200		GLOBAL MARINE INC	36 1/4		13,066.13	27
0708		NCC	GLOBAL MARINE INC	36 1/4		22,351.74	27
0708		700	GLOBAL MARINE INC	36 1/2		29,173.81	27
0708		NCC	GLOBAL MARINE INC	36 1/2			27
0708			FAIRCHILD CAMERA & INSTRUMENT	14 1/4	21,694.26		27
0708	500		FAIRCHILD CAMERA & INSTRUMENT	72 3/8	86,947.46		27
0708	1200		SPERRY RAND	33	212,324.29		27
0708	4000		CLOSING BALANCE MARGIN ACCOUNT		884,464.92		
0709							
	2000		AMK CORP	PDS			
	6000		CITY INVESTING CO	PDS			
	1000		FAIRCHILD CAMERA & INSTRUMENT	PDS			
	9000		SPERRY RAND	PDS			
			END OF STATEMENT				

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PERIOD ENDING		ACCOUNT	R.R.	PAGE
7-31-70	22	00-00900	004	1
LAST STMT. 06-26-70		663	S.S./I.D. NO.	

900 ACCOUNT
C/O CHARLES GRUSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

5 HANOVER SQUARE
NEW YORK, N. Y. 10004

TELEPHONE (212) 944-6300
CABLE ADDRESS "NEWBRIGHEND," N.Y.

DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION	PRICE OR ENTRY	AMOUNT CHARGED	AMOUNT CREDITED
06 26			OPENING BALANCE MARGIN ACCOUNT		79,807.45	
06 29			CLEARANCE CHG 5/28/70 TO 6019	D/E	1,015.00	
07 31			CLOSING BALANCE MARGIN ACCOUNT		80,822.45	
			END OF STATEMENT			
31	0.00	INT	0.00 MGN	0.00 YTD INT	0.00 YTD MGN	

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PLEASE ADDRESS ALL COMMUNICATIONS TO THE FIRM AND NOT TO INDIVIDUALS AND KINDLY MENTION YOUR ACCOUNT NUMBER.

NOTICE: THIS STATEMENT SHOULD BE RETAINED AS IT CONTAINS INFORMATION THAT MAY BE NEEDED TO ENABLE YOU TO VERIFY INTEREST CHARGES APPEARING ON SUBSEQUENT STATEMENTS.

PLEASE PRESERVE THIS STATEMENT FOR INCOME TAX PURPOSES

E. & O.E. WE MUST BE ADVISED IMMEDIATELY OF ANY ERRORS OR OMISSIONS.

FILE COPY

PLAINTIFF'S EXHIBIT 125.
E 277

PLAINTIFF'S EXHIBIT 125.

E 278

PERIOD ENDING	ACCOUNT	R.R.	PAGE
[illegible] 76	[illegible]	[illegible]	1
LAST STMT.	S.S. I.D. NO.		
11-29-76			

[illegible] ACCOUNT
[illegible] CHARLES GROSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

5 HANOVER SQUARE
NEW YORK, N.Y. 10004

TELEPHONE (212) 944-6300
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DATE	BOUGHT DELIVERED OR CREDIT	SOLD, DELIVERED OR DEBIT	DESCRIPTION	PRICE OR RATE	AMOUNT DUE
			[illegible]		
11/29		4500	[illegible] TY [illegible] V ST [illegible]	16 1/4	64,8[illegible]
11/30		7500	[illegible] TY [illegible] V ST [illegible]	16	1[illegible] 71
12/10		1500	[illegible] TY [illegible] V ST [illegible]	15	19,4[illegible]
12/11			SOLD 6 4 70		[illegible]
		3500	[illegible] TY [illegible] V ST [illegible]	16 1/4	[illegible]
12/11		3700	[illegible] TY [illegible] V ST [illegible]	15	[illegible]
12/12		100	[illegible] TY [illegible] V ST [illegible]	15 1/8	[illegible]
12/24		1900	[illegible] TY [illegible] V ST [illegible]	15	[illegible]
12/24		500	[illegible] TY [illegible] V ST [illegible]	14 1/8	[illegible]
12/25		500	[illegible] TY [illegible] V ST [illegible]	14 1/4	[illegible]
12/25		200	[illegible] TY [illegible] V ST [illegible]	14 1/8	[illegible]
12/25		1000	[illegible] TY [illegible] V ST [illegible]	14 5/8	[illegible]
12/29		4200	[illegible] TY [illegible] V ST [illegible]	14	[illegible]
12/29		600	[illegible] TY [illegible] V ST [illegible]	14 7/8	[illegible]
12/26		1000	[illegible] TY [illegible] V ST [illegible]	15	[illegible]
12/26		4000	[illegible] TY [illegible] V ST [illegible]	15	[illegible]
12/26			[illegible]		79,[illegible]

[illegible] OF STATEMENT

[illegible]

PERIOD ENDING: [illegible] | ACCOUNT: [illegible] | R.R. | PAGE: 1

LAST STMT.: [illegible] | S.S. I.D. NO.: 157

[illegible] ACCOUNT
C/O CHARLES GROSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 — TELEPHONE (212) 944-6300 — CABLE ADDRESS "NEWBROHE" N.Y.

DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION	SECTION 1256	AMOUNT CREDITED
[illegible]			[illegible] ACCOUNT		355,944.19
[illegible]	1000		CITY INVESTING CO	16 1/4	6,150.00
[illegible]	500		CITY INVESTING CO	16 1/4	9,750.
[illegible]	2000		CITY INVESTING CO	17	34,0 .
[illegible]	4000		CITY INVESTING CO	16 1/8	1,61 .50
[illegible]	100		CITY INVESTING CO	16 1/2	1,650.
15/24	100		CITY INVESTING CO	16 1/8	1,225.
15/24	200		CITY INVESTING CO	16	3,400.
15/24	400		CITY INVESTING CO	16 1/8	14,512.5
15/24	400		CITY INVESTING CO	16 3/4	14,9 .5
15/24	600		CITY INVESTING CO	16 1/4	14,25 .
15/24	1000		CITY INVESTING CO	16 1/4	16,250.
15/24	1000		CITY INVESTING CO	16 3/4	16,750.
15/24	1000		CITY INVESTING CO	16 3/4	16,750.
15/24	1000		CITY INVESTING CO	16 1/2	24,750.
15/25	300		CITY INVESTING CO	15 3/4	4,725.
15/25	1000		CITY INVESTING CO	15 3/4	15,750.
15/25	2000		CITY INVESTING CO	15	30,0 .
15/25	2000		CITY INVESTING CO	15 1/2	31,0 .
15/29			CLOSING BALANCE MARGIN ACCOUNT		614,261.
		35000	CITY INVESTING CO	POS	
			END OF STATEMENT		

YOU MAY HAVE RECEIVED CONFIRMATION FOR TRADES WHICH DO NOT APPEAR ON YOUR STATEMENT. HOWEVER, IF THE SETTLEMENT DATE OF TRADE AS SHOWN ON THE CONFIRMATION WAS LATER THAN THE DATE THAT APPEARS AT THE TOP OF YOUR STATEMENT THE TRADE WILL APPEAR ON YOUR NEXT REGULAR MONTHLY STATEMENT.

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FIRM AND NOT TO INDIVIDUALS AND KINDLY MENTION YOUR ACCOUNT NUMBER.

PLEASE PRESERVE THIS STATEMENT FOR INCOME TAX PURPOSES

E. & O. E. WE MUST BE ADVISED IMMEDIATELY OF ANY ERRORS OR OMISSIONS.

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PLAINTIFF'S EXHIBIT 125.

E 279

ACCOUNT	R.R.
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N ACCOUNT WITH

urger, Loeb & Co.

MEMBERS

RK STOCK EXCHANGE
PRINCIPAL EXCHANGES

TELEPHONE (212) 944-6300
CABLE ADDRESS "NEWBROHEN"

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DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION	PRICE OR ENTRY	AMOUNT CHARGED	AMOUNT CREDITED	SYM
[illegible]			PRIOR BALANCE MARGIN ACCOUNT		353,944.19		27
[illegible]	600		CITY INVESTING CO	16	16,800.00		27
[illegible]	2000		CITY INVESTING CO	18	36,000.00		27
[illegible]	1000		CITY INVESTING CO	17 1/2	17,570.50		27
[illegible]	1000		CITY INVESTING CO	17 1/2	17,500.00		27
			S OF 4-15-70				
4-23		1000	CITY INVESTING CO	17 1/2		17,570.50	27
			S OF 4-15-70				
			XL PREV BUY				
4-23	1000		CITY INVESTING CO	17 1/2	20,000.00		27
4-24			CLOSING BALANCE MARGIN ACCOUNT		353,944.19		27
	19000		CITY INVESTING CO	PDS			27
			END OF STATEMENT		[illegible]	[illegible]	
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PLAINTIFF'S EXHIBIT 125.

E 290

PLAINTIFF'S EXHIBIT 125.

E 281

DESCRIPTION		
OPENING BALANCE		263,644.19
CLOSING BALANCE		263,644.19
CITY INVESTING CO	PDS	
END OF STATEMENT		

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

5 HANOVER SQUARE
NEW YORK, N.Y. 10004

TELEPHONE (212) 944-6100
CABLE ADDRESS "NEWBRGHLND," N.Y.

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PERIOD ENDING	ACCOUNT	R.R.	PAGE
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LAST STMT.		S.S. I.D. NO.	
[illegible]	767		

[illegible] ACCOUNT
C/O CHARLES GROSS

IN ACCOUNT WITH

Newburger, Loeb & Co.

MEMBERS

NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL EXCHANGES

5 HANOVER SQUARE
NEW YORK, N.Y. 10004

TELEPHONE (212) 944-6300
CABLE ADDRESS "NEWBROHEND," N.Y.

DATE	BOUGHT, RECEIVED OR LONG	SOLD, DELIVERED OR SHORT	DESCRIPTION	PRICE OR ENTRY	AMOUNT CHARGED	AMOUNT CREDITED
			[illegible] BALANCE MARGIN ACCOUNT		38,000.00	
12/05	[illegible]		CITY INVESTING CO	19 1/2	39,000.00	
12/05	[illegible]		CITY INVESTING CO	27 3/8		40,699.18
12/05		[illegible]	CITY INVESTING CO	27 1/2		40,699.18
12/05	[illegible]	[illegible]	CITY INVESTING CO	19 1/2	1,950.00	
12/09	[illegible]		CITY INVESTING CO	21 1/8		2,119.95
12/10	[illegible]	[illegible]	CITY INVESTING CO	19 1/8	1,912.50	
12/10	[illegible]		CITY INVESTING CO	19 3/8	13,925.00	
12/15	[illegible]		CITY INVESTING CO	19 1/4	19,250.00	
12/19	[illegible]		CITY INVESTING CO	19 1/2	19,500.00	
12/19	[illegible]		CITY INVESTING CO	19 1/4	48,125.00	
12/20	[illegible]		CITY INVESTING CO	19 1/4	48,750.00	
12/20	[illegible]		CITY INVESTING CO	19 1/2	117,000.00	
12/20	[illegible]		CITY INVESTING CO		263,644.18	
12/27			CLOSING BALANCE MARGIN ACCOUNT	PLS		
		[illegible]	CITY INVESTING CO			
			END OF STATEMENT			

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HICH DO NOT APPEAR ON YOUR STATEMENT. HOWEVER,
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PLAINTIFF'S EXHIBIT 126

EXHIBIT A

E 283

WARRANT

(Transferability Limited)

Common Stock

No. 1

10,000 Shares

GEON INDUSTRIES, INC. — GENERAL

(Incorporated under the laws of the State of New York)

Void after May 20, 1974

This is to certify that, for value received NEWBURGER, LOEB & Co., or assigns (hereinafter called the "holder") is entitled to purchase from GEON INDUSTRIES, INC. (hereinafter called the "Company"), at any time after 5:30 P.M. (New York time) on May 20, 1970, and before 5:30 P.M. (New York time) on May 20, 1974, 10,000 fully paid and nonassessable shares of Common Stock, par value $.10 per share of the Company (hereinafter called "Common Stock"), subject to adjustment as hereinafter provided, at a price per share (hereinafter called the "warrant price", depending upon the period during which this warrant is exercised:

Period During Which Warrant is Exercised	Warrant Price
May 20, 1970 to and including May 20, 1971	$6.60
May 20, 1971 to and including May 20, 1972	$6.84
May 20, 1972 to and including May 20, 1973	$7.26
May 20, 1973 to and including May 20, 1974	$7.68

The warrant price and the number of shares purchasable hereunder are subject to adjustment as hereinafter provided.

This warrant has been issued pursuant to the terms of an Underwriting Agreement dated May 13, 1969 between the Company and Newburger, Loeb & Co., as representative of the several underwriters listed therein. This warrant and any warrants issued in exchange herefor or in replacement hereof, are hereinafter referred to as the "warrants".

This warrant may be exercised by the holder as hereinabove provided as to the whole or any part of the shares of Common Stock covered hereby (but only as to 100 shares or any integral multiple thereof, except to the extent necessary to purchase the balance of the number of shares purchasable hereunder), by surrender of this warrant at the principal office of any transfer agent for the Common Stock, or, if the Company shall not have any transfer agent for the Common Stock, at the principal office of the Company (any such transfer agent, or the Company acting hereunder, being hereinafter called the "Warrant Agent"), with the statement of election to subscribe attached hereto duly executed and upon payment to the Company of the warrant price for shares so purchased in cash or by certified check or bank draft in New York Clearing House funds. Thereupon (except that if, upon such date, the stock transfer books of the Company shall be closed, then upon the next succeeding date on which such transfer books are open), this warrant shall be deemed to have been exercised and the person exercising the same to have become a holder of record of shares of Common Stock (or of the other securities or property to which such person is entitled upon such exercise) purchased hereunder for all purposes, and certificates for such shares so purchased shall be delivered to the purchaser within a reasonable time (not exceeding 10 days, except while the transfer books of the Company are closed) after this warrant shall have been exercised as set forth hereinabove. If this warrant shall be exercised in respect of a part only of the shares of Common Stock covered hereby, the holder shall be entitled to

receive a similar warrant of like tenor and date covering the number of shares in respect of which this warrant shall not have been exercised.

This warrant is exchangeable, upon the surrender hereof by the holder hereof at said principal office of the Warrant Agent, for new warrants of like tenor and date representing in the aggregate the right to subscribe for and purchase the number of shares which may be subscribed for and purchased hereunder, each of such new warrants to represent the right to subscribe for and purchase not less than 100 shares of Common Stock (except to the extent necessary to round out the balance of the number of shares purchasable hereunder).

The Company covenants and agrees that all shares which may be issued upon the exercise of the rights represented by this warrant will, upon issuance, be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof (other than taxes in respect of any transfer). The Company further covenants and agrees that, during the period within which the rights represented by this warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this warrant.

The rights of the holder of this warrant shall be subject to the following terms and conditions:

1.1 In case the Company shall hereafter at any time (i) change by split-up, subdivision or combination the number of outstanding shares of Common Stock into a different number of shares of Common Stock with or without par value, or (ii) declare and pay a dividend in shares of Common Stock, the number of shares of Common Stock which immediately prior to such change or dividend the holder of this warrant shall have been entitled to purchase pursuant to this warrant shall be increased or decreased in direct proportion to the increase or decrease, respectively, in the number of shares of Common Stock outstanding immediately prior to such change or dividend, and the warrant price in effect immediately prior to such change shall be increased or decreased, as the case may be, in inverse proportion to such increase or decrease in the number of such shares outstanding immediately prior to such change or dividend. Any such adjustment shall become effective on the effective date of such split-up, subdivision or combination, or the record date of such dividend, as the case may be. For the purposes of this Section 1.1 the number of shares of Common Stock outstanding at any given time shall not include shares in the treasury of the Company but shall include shares issuable in respect to scrip certificates representing fractional interests with respect to Common Stock.

1.2 In case of any capital reorganization or any reclassification of the capital stock of the Company (other than a change in par value or a stock split-up) or in case of the consolidation or merger of the Company with another corporation, or in case of any sale, transfer or other disposition to another corporation of all or substantially all the property, assets, business and good will of the Company as an entirety, as the case may be, the holder of this warrant shall thereafter be entitled to purchase for the aggregate warrant price payable hereunder immediately prior thereto in order to exercise this warrant in full, the kind and amount of shares of stock and other securities and property receivable, upon such capital reorganization, reclassification of capital stock, consolidation, merger, sale, transfer or other disposition, by a holder of the number of shares of Common Stock which this warrant entitled the holder thereof to purchase immediately prior to such capital reorganization, reclassification of capital stock, consolidation, merger, sale, transfer or other disposition; and in any such case appropriate provision (as determined in good faith by the Board of Directors of the Company or of such other corporation, as the case may be) shall be made for adjustments in the application of the anti-dilution provisions herein set forth with respect to rights and interests thereafter of the holder of this warrant, to the end that the provisions (as set forth herein (including the specified changes in and other adjustments of the warrant price) shall thereafter be applicable, as near as reasonably may be, in relation to any shares or other property thereafter purchasable upon the exercise of this warrant.

1.3 In case the Company shall hereafter at any time declare a dividend (other than a dividend payable in shares of Common Stock or in stock or obligations directly or indirectly convertible into or exchangeable for Common Stock) upon shares of Common Stock payable otherwise than out of earned surplus, the holder of this warrant shall, upon exercise of this warrant in whole or in part, be entitled to receive, in addition to the number of shares of Common Stock deliverable upon such exercise against payment of the aggregate warrant price therefor, but without further consideration, the cash, stock or other securities or property which the holder of this warrant would have received as dividends (otherwise than out of such earned surplus and otherwise than in shares of Common Stock or in such convertible or exchangeable stock or obligations) if continuously since the date set forth at the foot of this warrant such holder (i) had been the holder of record of the number of shares of Common Stock deliverable upon such exercise hereof and (ii) had retained all dividends in stock or other securities (other than shares of Common Stock or such convertible or exchangeable stock or obligations) paid or payable in respect of said number of shares of Common Stock or in respect of any such stock or other securities so paid or payable as such dividends. For purposes of this Section 1.3, a dividend payable otherwise than in cash shall be considered to be payable out of earned surplus only to the extent that such earned surplus shall be charged in an amount equal to the fair value of such dividend as determined by the Board of Directors of the Company.

1.4 No certificates for fractional shares of Common Stock shall be issued upon the exercise of this warrant, but in lieu thereof the Company shall, upon exercise in full of this warrant, purchase out of funds legally available therefor any such fractional interest for an amount in cash equal to the current market value of such fractional interest calculated to the nearest cent, computed on the basis of the mean between the high bid and low asked prices, as reported by National Quotation Bureau, Inc., of the Common Stock in the over-the-counter market on the most recent day within ten days prior to the date of such exercise for which both bid and asked prices shall have been so reported, or, if the Common Stock is listed on a stock exchange located in the City of New York, the last reported sale price on such exchange on such day; and if there shall have been no sale on said day, then the computation shall be made on the basis of the last reported sale price on such exchange within ten days prior to such date. If there have been no reported bid and asked prices, or reported sales prices, as the case may be, within such ten days, the current market value shall be fixed in a manner determined in good faith by the Company.

1.5 Whenever the warrant price is adjusted as herein provided, the Company shall cause to be filed with the Warrant Agent a statement of the Company's independent certified public accountants showing the adjusted warrant price which shall be conclusive and binding on the parties. Such statement shall show in detail the facts requiring such adjustment, including a statement of the consideration received by the Company for any additional securities issued. Whenever the warrant price is adjusted, the Company will forthwith cause a notice stating the adjustment and the warrant price to be mailed to the registered holder of this warrant at the address of such holder shown on the books of the Company. Where appropriate, such notice may be given in advance and included as part of a notice required to be mailed under the provisions of Section 1.6.

1.6 In case at any time:

(i) the Company shall pay any dividend payable in stock upon its Common Stock or make any distribution (other than cash dividends) to the holders of its Common Stock; or

(ii) the Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or any other rights; or

(iii) the Company shall effect any capital reorganization or any reclassification of or change in the outstanding capital stock of the Company (other than a change in par value, or a change from

par value to no par value, or a change from no par value to par value, or a change resulting solely from a subdivision or combination of outstanding shares of Common Stock), or any consolidation or merger or any sale, transfer or other disposition of all or substantially all its property, assets, business and good will as an entirety, or the liquidation, dissolution or winding up of the Company; or

(iv) the Company shall declare a dividend upon shares of its Common Stock payable otherwise than out of earned surplus or otherwise than in shares of Common Stock or any stock or obligations directly or indirectly convertible into or exchangeable for Common Stock;

then, in any such case, the Company shall cause notice at least ten days prior to the record date or the date on which the transfer books of the Company shall be closed to be mailed to the Warrant Agent and to the registered holder of this warrant at the address of such holder shown on the books of the Company. Such notice shall also specify the date on which the books of the Company shall close, or a record be taken, for such stock dividend, distribution or subscription rights, or the estimated date on which such reclassification, reorganization, consolidation, merger, sale, transfer, disposition, liquidation, dissolution, winding up or dividend, as the case may be, shall take place, and the date of participation therein by the holders of Common Stock if any such date is to be fixed, and shall also set forth such facts with respect thereto, as shall be reasonably necessary to indicate the effect of such action on the rights of the holders of the warrants. Such notice shall not be deemed an admission that any right of the holder hereof has accrued.

1.7 In case at any time the Company shall pay any cash dividend payable upon its Common Stock, and in any such case, the Company shall cause notice at least ten (10) days prior to the record date for such cash dividend or the date on which the transfer books of the Company shall be closed, to be given by mail to the registered holder of this warrant at the address of such holder shown on the books of the Company, and such notice shall specify the amount of the cash dividend and the date on which the books of the Company shall close, or a record be taken, for such cash dividend; provided, however, that such notice need not be mailed if shares of the Company's Common Stock are listed on a national securities exchange located in the City of New York, N. Y., and the Company has complied with its agreement with such exchange with respect to notice thereto of such cash dividend.

1.8 If at any time any adjustment in the then effective warrant price shall occur pursuant to Section 1.1 hereof, the warrant prices to be effective in subsequent periods set forth on page one hereof shall be proportionately adjusted. In such event, proportionate adjustments shall also be made in the number of shares purchasable hereunder in subsequent periods.

2.1 (a) If at any time up to May 20, 1977, the holders or holder of the warrants and/or shares of Common Stock acquired upon the exercise of the warrants shall request in writing to the Company that it take such action as may be necessary in order to permit such holder or holders to publicly offer and sell the shares of Common Stock issuable or issued to him, it or them on the exercise of the warrants in compliance with the Securities Act of 1933, as then in effect, or any similar Federal Statute (said Act and any such statute being hereinafter collectively called the Securities Act), and if the shares subject to such warrants and/or acquired upon the exercise thereof, and covered by such request, are at least equal to 50% of the total number of shares of Common Stock subject to the warrants or acquired upon the exercise thereof, the Company will promptly (i) give notice in writing of such request to each other registered holder or holders at their addresses as shown on the books of the Company, if any, of the warrants and/or shares acquired upon the exercise thereof and (ii) prepare and file a post-effective amendment to the registration statement on Form S-1, Registration No. 2-32201 covering the shares of Common Stock issuable upon the exercise of the warrants (or if all or any of such shares shall have been deregistered from said registration statement prepare and file a new registration statement under the Securities Act) which will include a prospectus then meeting the requirements of Section 10(a) of the Securities Act, containing such information with respect to the shares covered by such request (or

covered by any similar request in writing made by any such other holder or holders within 30 days after the giving of such notice) and the terms of offering thereof as may be necessary to permit such holders publicly to offer and sell such shares. The Company will maintain such prospectus current for a period of 90 days subsequent to the effective date of such post-effective amendment or registration statement, as the case may be, and in no event shall the Company be obligated to prepare and file more than one such post-effective amendment or registration statement, as the case may be, for the holders of the shares of Common Stock acquired upon exercise of the warrants. All action under this Section 2.1(a) shall be at the cost and expense of the Company; provided that the Company shall not be obligated to pay more than $5,000 on account of fees of counsel to the holders offering their shares.

(b) If at any time the Company shall propose to register any shares of its capital stock under the Securities Act otherwise than pursuant to any request made as hereinabove provided in this Section 2.1, the Company will give to each holder or holders of the warrants and/or shares of Common Stock acquired upon the exercise of the warrants at least 10 days notice of such proposed registration, and, promptly after receipt of a written request made by such holder or holders within 15 days after the giving of such notice, the Company will include in such registration statement all shares of Common Stock subject to such warrants and/or shares held by any such holder or holders and covered by any such request, and will maintain the prospectus included in such registration statement current for a period of 90 days subsequent to the effective date of such registration statement. Any additional costs necessitated by the registration of shares of Common Stock pursuant to this Section 2.1(b) shall be borne by the Company. If the Registration Statement in question covers an offering being made by the Company and if in the opinion of the underwriters involved the proposed offering by the Company will be adversely affected by the proposed sale by the persons requesting registration pursuant to this subparagraph (b), then such persons will, if so requested by the Company, delay the commencement of their offering until 90 days following the effective date of the Registration Statement in question. In such event, anything herein to the contrary notwithstanding, the Company shall keep the prospectus in question "current" for a period of 180 days following the effective date of the Registration Statement in question.

2.2 If at any time after a post-effective amendment or a new registration statement covering the shares of Common Stock acquired upon exercise of the warrants, as provided in Section 2.1 hereof, shall have become effective, to the knowledge of the Company any event occurs as a result of which a prospectus included therein relating to the shares of Common Stock acquired upon exercise of the warrants as then amended or supplemented would include any untrue statement of a material fact, or would not state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, the Company will promptly notify the holder or holders of shares of Common Stock covered by such prospectus thereof and, if such event occurs within 90 days (excluding any period during which a stop order suspending the effectiveness of the registration statement is in effect) after the effective date of the registration statement or post-effective amendment to a registration statement of which such prospectus forms a part, the Company will at its own cost and expense amend or supplement such prospectus in order to correct such statement or omission in order that the prospectus as so amended or supplemented will comply with the requirements of Section 10(a) of the Securities Act. In case any such holder or holders is or are required to deliver a prospectus after such 90 day period, the Company will, at the expense of such holder or holders, prepare promptly such prospectus or prospectuses and thereafter amend or supplement the same as may be necessary to permit compliance with Section 10(a) of the Securities Act.

2.3 In connection with any registration statement or post-effective amendment pursuant to Section 2.1:

(a) The Company will comply with all applicable rules and regulations of the Securities and Exchange Commission or any similar Federal commission and will make available to its security

holders, as soon as practicable, an earnings statement (which need not be audited) covering a period of at least 12 months, but not more than 18 months, beginning with the first month of the first calendar quarter after the effective date of the registration statement or post-effective amendment, as the case may be, which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each holder of the shares of Common Stock covered by such post-effective amendment or registration statement, as the case may be, will furnish in writing to the Company such information regarding such holder and its proposed plan of distribution of such shares as may be required and as the Company shall reasonably request in order to have such post-effective amendment or registration statement declared effective.

(c) The Company agrees to furnish to such holders of shares of Common Stock acquired upon the exercise of the warrants, a prospectus (in such reasonable quantities as such holders shall request) containing certified financial statements, interim unaudited statements where applicable and other information meeting the requirements of the Securities Act and the rules and regulations thereunder and relating to the shares of Common Stock subject thereto. The furnishing of such prospectus shall be at the expense of the Company except as provided for in Section 2.2.

(d) The Company will cooperate with counsel for any holders offering shares and will furnish such information and execute such documents as may lawfully be required in order to qualify the shares of Common Stock covered by any registration statement or post-effective amendment for public offering or sale on the effectiveness thereof in such jurisdictions as the holders offering the same shall reasonably request, and it will pay all filing fees and reasonable fees and expenses of counsel not exceeding $2,500 in connection therewith; provided, however, that the Company shall not be required to qualify as a foreign corporation or register as a dealer in securities in any jurisdiction or to give a general consent to service of process in any jurisdiction.

2.4 In the event of any such registration, the Company will indemnify and hold harmless each holder of shares of Common Stock being offered, each person, if any, who may be deemed to control such holder within the meaning of Section 15 of the Securities Act and each underwriter of such shares, against any losses, claims, damages or liabilities, joint or several, to which any of them may become subject under the Securities Act of 1933, or otherwise, in so far as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained, on the effective date thereof, in any registration statement or post-effective amendment under which such shares of Common Stock were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; and will reimburse each of them for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability or action; *provided*, however, that the Company will not be liable in any such case to any of them to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon any untrue statement of any material fact contained, on the effective date thereof, in such registration statement or post-effective amendment, such preliminary prospectus or such final prospectus or any such amendment or supplement in reliance upon and in conformity with information furnished in writing by such persons to the Company expressly for use in the preparation thereof, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such written information required to be stated in such registration statement, such preliminary prospectus or such final prospectus or any such amendment or supplement, or necessary to make such information when used in such registration statement or post-effective amendment, such preliminary prospectus or such final prospectus or any such amendment or supplement in the light of the circumstances under which

it is used, not misleading. For purposes of this Section 2.4, "information furnished in writing by such persons" shall include information contained in any portion of such registration statement, such preliminary prospectus or such final prospectus or any such amendment or supplement which has been expressly identified and approved in writing in a letter signed by the person or persons involved. Each such person shall promptly give notice to the Company after such person has actual knowledge of any such claim as to which indemnity may be sought hereunder, or of the commencement of any legal proceedings against such person as to such claim, whichever shall first occur, and shall permit the Company to assume the defense of any such claim or any litigation resulting from such claim; *provided*, however, that each such person may participate in such defense at the expense of such person, and *provided, further*, that the omission by any such person to give notice to the Company as provided in this sentence or the failure to permit the Company to conduct such defense shall relieve the Company of its obligations under this Section 2.4, but shall not relieve the Company of its obligations otherwise than under this Section 2.4. The Company shall notify each such person involved within 15 days after the Company shall have received such notice if the Company shall elect to defend such claim or litigation therefrom. If the Company assumes the defense of any such claim or litigation resulting therefrom, the obligation of the Company under this Section 2.4 shall be limited to taking all steps necessary in the defense or settlement of such claim or litigation resulting therefrom and to holding the person involved harmless from and against any losses, damages or liabilities caused by or arising out of any settlement approved by the Company or any judgment in connection with such claim or litigation resulting therefrom. The Company shall not, in the defense of such claim or any litigation resulting therefrom, consent to entry of any judgment except with the consent of each such person involved or enter into any settlement (except with the consent of each such person involved) which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such person of a release from all liability in respect of such claim or litigation.

2.5 In any instance where the Company indemnifies holders of shares of Common Stock pursuant to Section 2.4, such holders will also cross-indemnify the Company against any similar losses in connection with information supplied to the Company by such holders for use in connection with the registration and offering in question, provided, however, that provisions and conditions similar to those set forth in Section 2.4 with respect to the obligations of the Company shall also apply in comparable situations to the obligations of such holders.

3.1 The issue of any stock or other certificate upon the exercise of this warrant shall be made without charge to the registered holder hereof for any tax in respect of the issue of such certificate. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the registered holder of this warrant, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

3.2 This warrant shall be transferable only to partners of Newburger, Loeb & Co. or upon merger or consolidation of said firm into another company, or upon transfer of all or a substantial portion of the assets of said firm to another entity. Any such transfer shall be made upon surrender of this warrant, with the form of assignment attached hereto duly executed by the registered holder hereof or by his attorney duly authorized in writing, to the Warrant Agent at its principal office hereinabove referred to, and thereupon there shall be issued in the name of the transferee or transferees, in exchange for this warrant, a new warrant or warrants of like tenor and date, representing in the aggregate the right to subscribe for and purchase the number of shares, or such portion thereof as shall be transferred, which may be subscribed for and purchased hereunder and if there shall be any balance of such shares not so transferred, there shall be issued in the name of the registered holder of this warrant, a new

warrant or warrants of like tenor and date representing in the aggregate the right to subscribe for and purchase the balance of the number of shares which may be subscribed for and purchased hereunder. In the case of any transfer of this warrant, or any part hereof, the person, firm or corporation to whom such transfer is made shall agree with the Company in writing to be bound by, and to observe, all of the terms and conditions herein set forth.

3.3 If this warrant shall be lost, stolen, mutilated or destroyed, the Company may instruct the Warrant Agent, on such terms as to indemnity or otherwise as the Company may in its discretion impose, to issue a new warrant of like denomination, tenor and date as the warrant so lost, stolen, mutilated or destroyed. Any such new warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed warrant shall be at any time enforceable by anyone.

3.4 The Company and any Warrant Agent may deem and treat the registered holder of this warrant as the absolute owner of this warrant for all purposes and shall not be affected by any notice to the contrary.

3.5 This warrant shall not entitle the holder to any rights of a stockholder of the Company, either at law or in equity, including, without limitation, the right to vote, to receive dividends and other distributions, to exercise any preemptive rights or to receive any notice of meetings of stockholders or of any other proceedings of the Company.

3.6 This warrant, in all events, shall not be exercisable prior to May 20, 1970 and shall be wholly void and have no effect after May 20, 1974.

3.7 This warrant shall be governed by the laws of the State of New York.

Dated: May 20, 1969.

GEON INDUSTRIES, INC.

By .....
President

HEMBURGER, LOEB & CO.

Statement of Financial Condition-Adjusted to Reflect Liquidation Valuations and Provisions

December 31, 1970

			Liquidation Adjustments & Provisions		
		Per PMM Financial Statements	Provision for liability and capital adjustments	Asset valuations	Realizable value or estimated liability
Assets					
Current assets:					
Cash		$ 133,925			133,925
Receivable from clearing broker:					
Commissions and other	$ 157,311				
Floor brokerage	10,869				
Firm trading account	306,067				
Omnibus account	132,390	606,637			606,637
Receivable from other brokers and dealers and clearing organizations		17,517		1,517	16,000
Market value of securities in partners, firm and subordinated accounts:					
Federal, State and municipal obligations	156,275				
Corporate securities	1,024,958	1,181,233		11,800	1,169,433
Other current assets		70,495		10,495	60,000
Total current assets		2,009,807			
Other assets:					
Memberships in exchanges, at latest sales prices	300,000				300,000
Furniture, fixtures and leasehold improvements, net of depreciation and amortization	595,779			505,779	90,000
Securities not readily marketable, at fair value	23,528			528	23,000
Receivable from former and general partners	32,424			16,212	16,212
Subordinated loan receivable from clearing broker	379,016				379,016
Receivable from customers - unsecured	116,232			20,647	95,585
Cost of securities purchased by clearing broker	220,662				220,662
Miscellaneous	21,708			11,708	10,000
		1,689,349			
		$3,699,156	-	578,686	3,120,470
Liabilities and Capital					
Current liabilities:					
Payable to customers		$ 36,610			36,610
Payable to Atlas Realty Corporation		232,950			232,950
Accounts payable and accrued expenses		500,662			500,662
Market value of securities sold, not yet purchased		116,304			116,304
Reserve for contingencies		59,537			59,537
Provision for liability or settlement for pending litigation			177,109		177,109
Provision for settlement of lease obligations			750,000		750,000
Estimated employee severance and vacation pay costs			81,000		81,000
Provision for liquidation expenses - legal and accounting, liquidation and staff expenses, settlements and services			450,000		450,000
Rounding out to bring provisions and estimates to $1,460,000			1,891		1,891
		946,063	1,460,000	-	2,406,063
Capital and subordinated liabilities:					
Equities in accounts subordinated to claims of general creditors	$1,100,478		386,071		714,407
Capital	1,652,615		1,652,615		-
		2,753,093			
		$3,699,156	2,038,686	-	3,120,470

PLAINTIFF'S EXHIBIT 129

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PLAINTIFF'S EXHIBIT 131.

Minutes of Executive Committee Meetings, commencing November 18, 1969, through November 21, 1971.

PLAINTIFF'S EXHIBIT 131

Minutes of Executive Committee Meetings,
commencing November 18, 1969 through
November 21, 1971

(This Exhibit was marked at the time of trial for identification only and was not admitted into evidence.)

PLAINTIFF'S EXHIBIT 131.

MINUTES

Executive Committee Meeting, November 18, 1969, 2:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Edward B. Holt

E 292

1. Items one and two on the Agenda are to be carried over to next week's Agenda.

2. The Partner Relationship Sub-Committee submitted recommendations re the taking in of new partners and adjustment of interest of certain present partners. The recommendations were accepted.

3. A general report was given on the Rosen operation. It would appear that for combined September and October Newburger, Loeb & Co. made approximately $15,000.

4. Charles Gross reported among other things that --

   a. this coming Tuesday Mr. Berkowitz will present a "new schedule of accounts", and

   b. that Lou Bracker will be in town around the first of the month and that "things look good".

5. Bob Stern gave a brief Operations report In general, things seem to be the same or a little better.

6. The Executive Committee takes this opportunity to express its thanks to John Settel for his very valuable contributions to our meetings. Richard Stern will join the Executive Committee at our next meeting.

Meeting adjourned 4:30 p.m.

November 20, 1969
RLN/mb

NOTE: Our next Executive Committee Meeting will be held at 2:00 p.m., Tuesday, November 25, 1969

MINUTES

Executive Committee Meeting, December 3, 1969, 3:00 p.m.

Present: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Edward R. Holt
Richard D. Stern

E 293

1. The general topic of exploring the possibility of merging, acquiring or being acquired was thoroughly discussed. Specifically, Charles Gross has started exploratory talks with Bruns, Nordeman & Co. and Philips, Appel & Walden, Inc. It was decided that there was nothing to lose by continuing such exploratory discussions and by instituting discussions with other organizations when such discussions seem logical.

2. Exchanges - Jim Settel is to become our member of the Cotton Exchange. We decided to join the Pacific Coast Exchange at such time and in such manner as will best suit our plans for our Coast operation.

3. Bob Stern spoke on operations. Current operations are proceeding smoothly. Fail to receive is $2,500,000, fail to deliver is $1,600,000; aged fails are insignificant. It has recently become apparent that there has been box banging by our Stock Record Department. This is something that will be researched and stopped. There appears to be a big jump in debit balances from around $36-million to somewhere in the early to middle $40's. This figure is suspect and is being looked into.

4. The matter of a Christmas Bonus was brought up. Before the general discussion, it was pointed out that the cases of Therese, Rich and Rubin were special and should be treated separate and apart. In Rubin's case, it was decided that he be given sufficient money so that his income for the year would be $21,000. In the case of Rich, it was tentatively agreed that he would get a bonus of $7,500 for calendar 1969; that, starting in 1970, he would receive a base salary of $20,000 and a "Lulu" of $3,000-$5,000 (the explanation of expenses for which this money is to be used would rest between Rich and the IRS), plus an unspecified percentage of the amount earned over and above what we feel could normally be expected from an ordinary stock loan operation. (Obviously, this formula needs some more work.) In the case of Therese, a conference will be held between Charles Gross, Robert Stern and Robert Therese before this Committee makes its decision. Aside from the special cases, the bonus policy is that merit bonuses, ranging approximately from one to two weeks, would be given to certain key operation personnel mostly in the category of managers and supervisors; basically, personnel to whom we have made certain commitments and who we think it is most vital to keep in our employ. This

4. continued.....list of key personnel, at the moment, involves about 25. Some personnel from our Order Processing Department may be added to this list after a consultation is held with Rubin. When our bonus policy is made known, our employees will receive a communication which will point out our forthcoming salary review and Profit Sharing Program.

5. Charles Gross then brought up the subject of restructuring our schedule of commissions paid to registered representatives. At this point, the late hour caused an attrition in his audience. The meeting was therefore adjourned, to be continued at 3:00 p.m. the following day.

Meeting adjourned 4:45 p.m.

NOTE: It must be apparent that this writer's style has changed. This is by direction of the Executive Committee. It was felt that the security risk was not as big a factor as the necessity for accurate reporting; hence, the departure of circuitous obfuscation and the arrival of "telling it like it is".

December 4, 1969
RLN/mb

cc: John F. Settel

NEWBURGER, LOEB & CO.

MINUTES

E 295

Executive Committee Meeting, December 4, 1969, 3:00 p.m.

Present: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Edward R. Holt
Richard D. Stern
John F. Settel

1. It was agreed, after some discussion, that a restructuring of commission rates, following the schedule suggested by Charles Gross, be instituted as of the first day of the new business year. Notification of this change will be accompanied by a letter covering a group contributory insurance plan and the improved profit sharing plan. It was also decided that there would be an upward revision of interest rates on debit balances to be effective starting the first of the year. Charles Gross and Robert Newburger will meet with branch office managers on Thursday, December 11, at 4:00 p.m., to discuss these subjects.

2. We decided that we would form an entity called Bracker/NL Associates, owned 50% by Bracker and 50% by us. This Association to be a West Coast deals facility. Bracker's commission business to be an integral part of our normal California brokerage operation. The Organization will be physically located in the Beverly Hills building owned by Bracker. One-third of the rent, figured on an annual escalation basis, to be paid by the Association and the remainder to be paid by Newburger, Loeb & Co. Bracker will become a partner of Newburger, Loeb & Co. All the above is naturally subject to our Counsel and his Counsel being able to work out feasible details with each other and the New York Stock Exchange.

3. Charles Gross' seat on the New York Stock Exchange is to be transferred to Newburger, Loeb & Co. at $325,000. Charles Gross is to get the benefit of any rise during the calendar year of ~~1970~~ 1971, with a ceiling of $400,000. Newburger, Loeb & Co. will then A. B. C. the seat. At the moment, Phil Pruit is being considered as a possible user of the seat. Others will also be considered. We will attempt to find a properly qualified Black for this position before looking elsewhere.

4. Richard Stern will discuss with Arthur Moll Judd Golenbock's idea on the profit sharing plan; i.e., rifle rather than shotgun.

5. Charles Gross recommended a recapitalization plan for Newburger, Loeb & Co. Basically, it involves the distribution of "points" at the discretion of the Executive Committee at $25,000 a point. This money to be considered as non interest bearing capital. Capital held by a partner over and above the allotted point amount is to be considered either excess capital or subordinated loan bearing interest at the same rate we pay our limited partners. A certain percentage of earned income from point capital is to be retained by the firm.

The thought was expressed that this plan would help pave the way in an orderly fashion for incorporation, would help build up our capital and protect the firm against death or departure of any current partner, and would put us in a better position to attract desirable outside talent. The various problems, advantages and disadvantages were discussed at length. It was decided that, if such a plan be implemented, it would be wise to implement it at the time we take in our new partners. In order to do that, we must act promptly. Therefore, it will be the main topic of our next Executive Committee meeting and every effort that we can make will be made to come to a decision by 5:00 p.m. on Friday, December 12.

Meeting adjourned around ninish.

December 5, 1969
RLN/mb

NEWBURGER, LOEB & CO.

MINUTES

E 297

Executive Committee Meetings, Tuesday, December 9, 1969, and Thursday, December 11, 1969, 2:00 p.m.

Present: Robert L. Newburger
Andrew M. Newburger (Not Present Thursday or Friday)
Robert L. Stern
Charles H. Gross
Edward R. Holt
Richard D. Stern

1. It was agreed that Richard Stern is to further research our projected profit sharing plan with an eye to selectivity.

2. It was decided that Charles Rich would receive $7,500 as a bonus; Robert Therese would receive $9,000.

3. It was reported that Al Rosen had bought a seat and would probably wish to clear through us. We agreed that we would do so but that compensation arrangements would be different than they had been in the past. That, basically, he would be charged with some expenses such as rent, tickers, etc. He would not have to pay for local phone calls and the cost of a wire to the Floor.

4. It was decided that when Richard Stern becomes a member of the American Stock Exchange we would then ask Jack Thistleton to resign as a partner; that he would be entitled to his pay as stipulated in our contract for the rest of the life of said contract; that, however, whatever monies he might earn elsewhere be deducted from the amount to be paid by us. It was agreed that, in the case where he is not employed elsewhere, he must understand that during the period of time we pay him we have a call on his services -- Robert Newburger to implement.

5. Robert Stern reported that the Auditors will file on time and that there are no apparent problems over and above that which we may have anticipated.

6. Robert Newburger told the Committee that Ned Frank was on the verge of buying a seat on the Stock Exchange and that he wished to withdraw from the partnership. His reasons for the desire to withdraw were varied but basically involving personality problems with some of us and the feeling that there was no communication to him from us, leaving a vacuum knowledge of "what goes on". In addition, he felt disapproval of certain things that had been done, are being done and are planned for the future. It was decided amongst us that we certainly desire Ned to remain a partner and that he be called in the meeting so that the whole matter could be openly discussed and kicked around. This was done; result - Ned is going to "sleep on it" and come back to us pronto.

7. It was decided that the recapitalization or, if you wish, reorganization plan proposed by Charles Gross was important to the future of Newburger, Loeb & Co. and should in principle, if not detail, be implemented as soon as practicable. It was felt that, inasmuch as Andrew Newburger was absent because of illness, a more formal acceptance of the plan should wait until he had a final "crack at it". Some of us are meeting with Rindler and Lauderbach on Friday, December 19, 1969, to set the wheels in motion in order to ascertain possible tax recovery, what losses to take and how to take them, etc.

Meeting adjourned.

E 298

December 13, 1969
RLN/mb

MINUTES

Executive Committee Meeting, December 16, 1969, 9:30 a.m.

Present: Robert L. Newburger
Andrew M. Newburger
Leo Stern
Robert L. Stern
Charles H. Gross
Edward R. Holt
Richard D. Stern

E 299

1. The recapitalization plan was discussed further. Leo Stern wishes time to consider and study. It was agreed that this was proper but that we should move ahead and implement even if we should find it necessary to retrace our steps later.

2. Robert Stern reported that he had another meeting with the Auditors; that they would file on the 15th; he stated that a reserve of $1-1/2-million for past operational problems and differences must be set up; at the end of November, we had a capital ratio of approximately 14 -- this may improve as we work out differences between now and the end of the year; we have debit balances of approximately 44-million and our bank loans are up; fails to receive - 3-million, to deliver - 2-1/2-million; stock loan of 10-million, stock borrowed of 5-million.

3. Charles Gross reported that the year's loss would probably be slightly under $1-million. However, he feels that we have turned the corner and that the last few months represent a period of some profit. He expects that December will also be profitable. He pointed out that Kayne would like to have the same interest in the firm, point-wise, as Sloane. We agreed. The search for a "Floor" candidate continues.

4. Ed Holt was thanked for his valuable contributions to the work of the Executive Committee and Ned Frank was selected as the next rotating member of the Committee.

Meeting adjourned.

December 18, 1969
RLN/mb

cc: Ned D. Frank

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, December 24, 1969, 10:00 a.m.

E 300

Present: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Richard D. Stern
Ned D. Frank

1. We continued discussion on our restructured commission schedule (effective today). Charles Gross will issue an appropriate memo.

2. The Managing Partner's report flowed into a discussion of various items --

   a. Recapitalization Plan - Leo Stern agreed to go along with the plan as it had been explained. We agreed that a six-month period be allowed for the raising of certain monies for use as point capital (tax refunds, etc.). It was specifically pointed out that this did not represent an option to buy points by any particular partner but rather an obligation.

   b. The trials and tribulations of C.S.S. were discussed. It will hopefully be spawned during calendar 1969.

      Charles Gross talked about the hiring of a Sales Manager. He has already interviewed one possibility. It was felt that this should be further explored. It was pointed out that this potential added expense could be defrayed by McCourt's departure -- this thinking will be pursued by Charles Gross and Robert Newburger.

   c. Charles Gross reported on our continuing search for "Black Beauty". Four potential candidates have already been interviewed, a fifth to come in this afternoon. Charles Gross and Robert Newburger will report (hopefully a firm recommendation at our next meeting).

3. Robert Stern reported that current operations are about the same as they had been. Our fails picture will improve as our two departing specialists actually depart at the end of the year.

   It appears that morale and sense of direction has improved in spite of the "no bonus". This change in attitude is attributed to the work of Bob Therese, Dick Stern and Arthur Moll.

   The Auditors have filed, and our Statement of Financial Condition will be mailed out with January's statements on the 9th. Bob Stern then gave a more detailed report on the Statement of Financial Condition.

4. Compliance: Under this heading, Ned Frank brought up a number of topics --

   a. Our arbitration agreement - should we keep it, should we change it, what is our position insofar as rights to sue and be sued is concerned? E 301

   b. In the case of sell-outs, what is the responsibility and position of Newburger, Loeb in relation to non-clearing firms and customers' men, in what cases should commissions be paid to registered representatives and split with non-clearing firms, etc?

   c. Should we have a fixed set of penalties and/or optional disciplinary actions in connection with a variety of situations; i.e., improper filling out of new account form, improper orders taken for "legal" accounts, improper handling of control stock (including insufficient research of control situations), and execution of discretionary orders without proper papers?

   d. How to handle the writing of and control of memoranda written by registered representatives to support solicitation of accounts involving securities not recommended by our Research Department or perhaps involving the major portion of any particular registered representative's clientele?

   It was felt that recommendations be formulated on the above-lettered points and submitted to the Executive Committee. Bob Stern, Ned Frank, Dick Miles, and although it was not mentioned in our meeting, the thought occurs to me that Ed Rubin should be added, will formulate the above-mentioned recommendations.

5. Andrew Newburger felt that we should reconsider our move to One New York Plaza. After lengthy discussion, it was decided to proceed as planned. However, we will no doubt take a look at this situation from time to time.

Meeting adjourned.

December 24, 1969
RLN/mb

NOTE: Our next meeting is Wednesday, December 31, at 10:00 a.m.

NEWBURGER, LOEB & CO.

MINUTES

E 302

Executive Committee Meeting, December 31, 1969, 11:00 a.m.

Present: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Richard D. Stern

Absent: Robert L. Newburger
Ned D. Frank

Old business: The Compliance topics previously discussed are being further developed by Dick Miles. Ed Rubin has not been involved yet.

Operations Partner's Report: Fails balance is still favorable. The Statement of Financial Condition is still expected to be available for mailing on January 9.

Curb ticker: out over 2 weeks. Charles Gross investigated punitive approach to getting Trans-Lux and/or the Telephone Co. to fix it.

Managing Partner's Report: Analyzed the quantity and quality of the previous day's business; both were pleasing.

Profit-improvement: Charles Gross has worked on revenue development -- personal production; commission changes (already implemented); interest rate (changes in rates charged and in interest paid on partners' capital); other modifications to produce an estimated $500,000 increase.

November suffered from reduced specialists' business and the lack of a contribution from the underwriting and syndicate activities, due to market conditions. The loss of specialist accounts should enable a 5-10 man payroll reduction.

Ned Frank's seat ownership and his obligations to the firm (and vice versa) were discussed in terms of compensation and the other financing involved.

Steve Kandel: Charles Gross has discussed the possibility of transferring him to the Syndicate Department. Has graduate degree; teaches at Hofstra. Wants to be in the area and has discussed it with other firms. The hope is to build a sales force that can go to the funds with merchandise such as CSS.

Jack Schafer: The profit-sharing plan will be modified so as to keep him from losing his vested interest. His proposed point allocation was discussed, and considered satisfactory.

David Cohen: Robert Stern believed the decision made by Andrew Newburger, Robert Newburger and Leo Stern regarding Dave's 1969 total compensation was improper, in the context of similar other decisions (especially Charles Rich).

David Cohen cont.: His base salary for 1970 has been increased by $5,000. The same Committee of three is requested to make recommendations in January 1970 as to how his total compensation for 1970 will be determined.

Salary Review Committee: Jim Settel reported as Chairman. It was suggested that a review and restructuring within the life of the contract be put into effect after a conference of the Committee with Messrs. Dayton, Moll and Brakman. This will have to wait until the week of January 12 because of vacation.

Meeting adjourned.

December 31, 1969
RDS/mb

NOTE: Our next meeting is Tuesday, January 6, 1970, at 4:30 p.m.

MINUTES

Executive Committee Meeting, January 6, 1970, 4:00 p.m.

Present: Leo Stern
Andrew M. Newburger
Robert L. Newburger
Robert L. Stern
Charles H. Gross
Richard D. Stern
Ned D. Frank

E 304

1. Operations - Robert Stern reported little change in the operations' picture. Our debits are up to 40-million. Wagnes is now in our employ. Robert Stern will decide on his proper title and write the appropriate memo.

2. Charles Gross and Robert Stern reported in a "Tweedledum and Tweedledeeish" manner on their 4-1/2 hour seance at the nearby red fortress. They were accompanied by Bob Therese and Larry Firrincieli. They met with Messrs. Bishop, Stock, Huntoon, Newman and Fitzgerald. The goal -- lifting of restrictions. Results -- permission to open our California offices at the end of this month and the understanding that the remainder of our restrictions will probably be lifted shortly after we work our short differences to below 1-million.

3. It was decided that we would institute a new schedule for payment of interest on debit balances.

a.	debit balances of $50,000 and up	-	9-1/2%
b.	" " of $30,000-$50,000	-	9-3/4%
c.	" " of $10,000-$30,000		10-1/4%
d.	" " below $10,000	-	10-1/2%

Each registered representative will be permitted five exceptions (related accounts between husband and wife regardless of number will be treated as one account for the purpose of "exceptions"). Charles Gross and Robert Newburger will meet with office managers on Thursday at 4:00 p.m. to explain the schedule. This will be followed by a memo on the subject from the Managing Partner to the registered representatives. The memo will not mention "exceptions". The matter of "exceptions" will be communicated by word of mouth from manager to registered representative.

4. Cedric Shearer, Jr. has joined our organization as Sales Manager. Although he will report to Robert Newburger, he will be doing some cost research in connection with profitability that will necessitate his working with Robert Stern, Operations, and Andrew Newburger, Administration. Cedric will attend the meeting mentioned in the above paragraph. Robert Newburger will send out the appropriate announcement memo.

5. On Thursday morning, Charles Gross and Robert Newburger will meet with Al Rosen. Objective -- to negotiate a clearance arrangement which in turn will be submitted to the Executive Committee.

6. Robert Stern asked that his report on compliance and surveillance, raised by Ned Frank, be postponed until our next meeting.

7. Julius Schnall leaves shortly for six-months vacation. It was agreed that he should be paid half salary during his absence. Robert Stern to implement.

8. The Executive Committee takes this opportunity to express its thanks to Richard Stern for his very valuable contributions to our meetings. Sanford Roggenburg will join the Executive Committee at our next meeting.

Meeting adjourned.

January 7, 1970
RLN/mb

cc: Sanford Roggenburg

NOTE: Our next meeting is Tuesday, January 13, 1970, at 10:00 a.m.

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, January 13, 1970, 10:00 a.m.

E 306

Present: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

1. Robert Stern reported that our short differences were somewhat under one-million -- perhaps $850-$950 thousand. There was no need for a more detailed operations' report.

2. Robert Stern gave a progress report on the work of the compliance ad hoc committee.

   a. Investigation of legal questions and implications re our arbitration agreement is being conducted by Golenbock & Barell.

   b. It is felt that monetary losses sustained where the registered representative is responsible (beyond first transaction) will be taken out of his hide. This will be spelled out in our compliance manual.

   c. Commissions on sell-outs will not be shared with the registered representative.

   d. Ric Shearer will come up with some recommendations as to penalties and disciplinary action where new account forms are not properly filled out, instructions faultily given, etc. It is felt that this should not be rigid but that we will have options (to be spelled out in our compliance manual).

   e. Rules and regulations concerning the writing of memoranda by registered representatives covering recommendations will be spelled out.

   f. It is felt that not only is a compliance manual something that we should have posthaste, but we must also have an S.O.P. for registered representative operations.

3. Charles Gross reported that Manny Geronimos and Bob Mullarkey have conducted investigation of monies and securities incorrectly stated in accounts at the 57th Street office. We have evidently incorrectly credited $47-thousand in cash and $83-thousand in securities. We hope to be able to pick up the bulk of this. A similar investigation at the 28th Street office is currently being conducted. There seems to be fewer discrepancies at 28th Street. This is good operation-wise and not so good financially.

4. Charles Gross brought us up to date on our "California Caper". It appears that the satellite office in Beverly Hills may well come on stream this Friday or Monday. Fred Kayne and a man named Skourtis (this spelling is phonetic) are resigning from Shearson momentarily and moving to Beverly Hills en route to "Sloane's Sanctuary". There may be some transitional problems in the future concerning "double play" transfer of accounts (Shearson to McDonnell to Newburger, Loeb & Co.).

5. Al Rosen, now being a member of the Stock Exchange, is no longer in our employ. We will keep the rest of his group on our payroll and work out the mechanical problems to effect basically a continuation of the same financial relationship we had with him when he was employed by us running a profit center. He will trade joint account for Al Rosen and Newburger, Loeb & Co. Al has a genius-type scientist brother at Dartmouth who has established what appears to be a promising history of trading (I forget whether it was paper trading or actual trading) utilizing a computer. He feeds in all sorts of information and then Al follows the trading commands of the computer. We will permit him, in a separate joint account, to run a debit balance of as high as $250-thousand, using the aforementioned method.

6. In the case of Joe Searles, a problem has arisen as to "proper" type of sponsorship. We have asked the Exchange for relief from normal sponsorship regulations and expect a favorable answer momentarily. We anticipate his application for membership this coming Thursday. We are working with our public relations counsel and coordinating with the public relations counsel of the Mayor's office and the New York Stock Exchange to properly handle publicity expectedly attendant upon Joe's application and election. Upon the recommendation of our public relations counsel, all inquiries from public media re this matter should be referred to Charles Gross or Robert Newburger.

7. Research: Robert Newburger was authorized to offer a research position to Martin Goodfriend currently Director of Research at Halle & Stieglitz. His availability arises from a sweeping change in management at Halle & Stieglitz and the installation there of a four-man research team recruited from Lehman Brothers.

Meeting adjourned.

January 14, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, January 20, 1970, at 3:30 p.m. sharp!!!

cc: Richard D. Stern

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, January 20, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

E 308

1. Charles Gross reported tentative figures for 1969 based on figures compiled by our outside accountants (Berkowitz). The loss is approximately $1,230,000. This includes approximately $750,000 for partners' salaries and $500,000 for interest on partners' capital. We should be able to make an impressive improvement in the expense factor this coming year. In 1969, overtime amounted to about $300,000, agency fees $44,000, and temporary help $95,000. It is felt that we should be able to cut these costs down by at least $250,000 in 1970. There is also the feeling that the general payroll will be reduced. It is also hoped that our new schedule for interest on customers' debit balances should pick up between $175,000-$200,000. Another big item of expense in 1969 was floor brokerage. Of this amount, the use of Charles Gross' seat in 1970 should save us approximately $100,000. We had hoped that the profits from the underwriting of Computer Software Systems would go into 1969; however, it will be in 1970 and the gross profit after salesmen's compensation appears to be between $175,000-$200,000.

2. Robert Stern reported on Operations. Our S.O.Q. for December 31, 1969 went to the Exchange on Friday, January 16, 1970. We also sent the Exchange a status report as of January 19, 1970. It showed $398,000 long differences and $693,000 short differences. The Geronimos-Mullarkey team, in their inspection of the 28th Street accounts, is finding that not much money has been incorrectly credited but is, on the other hand, finding a reasonably large amount of securities improperly credited.

3. It appears that Dick Miles needs help. Bob Stern will work this problem out with him.

4. Bob Stern reported on the work of the ad hoc compliance committee. In connection with the work of the committee, Ric Shearer has written two memos -- one dealing with discretionary accounts, and the other with non-Newburger, Loeb recommendations. Copies of these two memos are attached and should be studied for discussion at our next Executive Committee meeting.

E 309

5. Beverly Hills came on stream (really a trickle) last Friday.

6. The application for Joe Searles to the New York Stock Exchange was submitted yesterday, January 20, 1970.

7. It appears that McCourt is on the way out. Charles Gross, Jim Settel and Robert Newburger, consulting with Ric Shearer, will handle the termination and replacement if advisable.

8. The Committee on partners' salaries meets with Arthur Moll this coming Friday, January 23, 1970.

Meeting adjourned.

January 21, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, January 27, 1970, at 3:30 p.m.

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, January 27, 1970, 3:30 p.m.

Present: Robert L. NEWBURGER
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

E 310

1. Robert L. Newburger reported that Mr. Martin Goodfriend, who had been Director of Research at Halle & Stieglitz, had turned down our offer of employment.

2. Joseph L. Searles, III, along with his sponsors, Charles H. Gross and Robert L. Newburger, hopefully will appear before the New York Stock Exchange Admissions Committee tomorrow.

3. Joe McCourt leaves our employ this Friday.

4. Richard Jacobs enters our employ tomorrow. He will try to do for us what we had hoped Joe McCourt would do as well as assisting Ric Shearer.

5. Robert Stern reporting on operations pointed out that at the request of our insurance carriers, we must place our "treasuries" in a Custodial Account at a bank. The Morgan Guaranty will do this for us at the rate of $15 per "movement". Other banks will be spoken to in an effort to do better price wise.

6. Ric Shearer appeared before the Committee to discuss with us the two memos he recently submitted. One memo deals with procedures and methods involved in the handling of discretionary accounts. The other memo deals with recommendations by sales personnel of securities not recommended by Newburger, Loeb & Co. and covers recommended procedures and methods for handling. It was decided that memos on these two subjects should be sent to sales personnel and should become part of our Compliance Manual and/or S.O.P. The Special Compliance Committee aided ? by Robert L. Newburger is to implement.

7. We now designate most of our sales personnel as RR's. It is felt that this should perhaps be changed to any one of a number of other titles, i.e. account executive, customer's broker, investment broker, etc. A memo is to be sent to our sales personnel taking a preference poll.

8. Our Managing Partner's report was concise, succinct and dramatic. "Hooray, hooray, no more Stock Exchange probation."

Meeting adjourned.

January 29, 1970
RLN/raf

NOTE: Our next meeting is Tuesday, February 3, 1970, at 3:30 p.m.

MINUTES

Executive Committee Meeting, February 3, 1970, 3:30 p.m.

Present: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

E 311

1. The Rosen Trading Account has shown a gross profit of approximately $111,000 up until now. 50% of that is ours.

2. Joseph Searles is now working in our Order Room. He appears to be a "quick study".

3. Charles H. Gross told us that the group with which he meets has discussed various ways of adding income without necessarily raising commission schedules, i.e. extra charges to clients, extra charges to Registered Representatives, etc. Hopefully, we too will think constructively on this subject.

4. Charles H. Gross brought up a problem involving Murray Cohen and a group of his accounts (the Weissman family). This group forms the bulk of Murray's business and insists on a 9% interest charge on their debit balance. The pros and cons were discussed at some length. The final decision was to deny Murray Cohen's request.

5. It was decided to set up a schedule of charges in connection with requests for old statements, confirmations and other documents. A memo on this will be prepared forthwith.

6. Robert L. Stern talked on the subject of Custodial charges for treasuries. The $15.00 "movement" charge by Morgan Guaranty is the best we can do. We will pass the charge on to the client and a memo on this subject will be issued shortly.

7. Robert L. Stern reported on the work that has been done with Rie Shearer's suggestions in connection with (1) non-Newburger, Loeb recommendations, (2) discretionary accounts. A proper memo stating our policy, rules and regulations will become part of our Compliance Manual.

8. Robert L. Stern pointed out that our compliance responsibilities in connection with accounts introduced by firms clearing through us is evidently much greater than we had thought in the past. Therefore, we will have to set up some sort of a system to make sure that we are running the proper checks and exercising supervision of such accounts.

Meeting Adjourned.

February 4, 1970
RLN/raf

NOTE: Our next meeting is Tuesday, February 10, 1970, at 3:30 p.m.

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, February 10, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Sanford Roggenburg

Absent: Ned D. Frank

E 312

1. The poll of producers produced the designation "Account Executive". Robert Newburger will see that this intelligence is passed on.

2. The Managing Partner reported amongst other things --

   a. The success of our bid for an N. B. A. Franchise in Buffalo -- Newburger, Loeb & Co. would receive certain remunerations and expenses for its efforts so far as well as between 5-8% of the stock involved.

   b. Fred Kayne and/or Chuck Sloane have brought in a deal -- Portable Parking Structures Inc. -- a $4-1/2-million California underwriting.

3. Robert Stern, reporting on Operations, mentioned that the search for cash and securities at 74th, 57th, and 28th Streets found about $200,000 worth of cash and securities -- almost this much will have to be given to clients who have convinced us that they have stock and/or securities coming to them.

4. The activities of the Corporate Finance Department were discussed in general. There was a review of those possible and probable deals on the docket as well as a review of present departmental personnel. It was reported that hopefully we will be able to do ten deals this year.

5. The matter of a bonus for Victor Berlin was considered and it was decided that Ben Peyser would appear at our next meeting to inform us and to aid in our discussion of this subject.

6. A discussion was held in connection with the opening, logging and distribution of mail. Divergent views were expressed. The sense of the meeting was that it would be desirable to open mail promptly and not privately to make sure that checks, securities and important documents be booked expeditiously but yet in such a manner that proper, personal privacy be maintained. We will discuss this matter again at our next meeting -- implementation as well as policy.

Meeting adjourned.

February 12, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, February 17, 1970 at 3:30 p.m.

MINUTES

Executive Committee Meeting, February 17, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Ned D. Frank
Sanford Roggenburg

E 313

1. Ben Peyser appeared before the Committee for a discussion of a 1969 bonus for Vic Berlin. It was agreed that we would offer Vic $2,000.

2. Operations Partner's Report: Bob Stern stated that things were pretty much the same as last week. Two Stock Exchange Examiners are now with us. Bob stated that it was not a matter for concern.

3. Managing Partner's Report:

   a. Business from the West Coast is starting to pick up. Quantitatively, it is about as much as we are getting from any office with the exception of the combined 72nd and 86th Street office.

   b. Al Rosen is getting more active and doing all right.

   c. The Quasi Institutional Department is now in operation on the 24th Floor. Kessler, Fabe and Kandel are aboard along with Dr. Ruddy, who is to supply research for the selling effort. Two Account Executives from another firm are on-stream for about March 15 for this department.

   d. An effort is being made to find ways and means of making the Haberman account profitable.

4. Our earlier quesstimates on January's figures were, it now appears, much too optimistic. Our most recent figures show a loss of possibly as great as $73,000. This is to be analyzed further. Obviously, efforts must be made to cut costs and quite naturally increase production.

5. The Salary Committee's report to the Executive Committee was, with a few minor exceptions, accepted. All partners, with a few somewhat unique exceptions, are going to be asked to temporarily take a 10% cut based upon the aforementioned decided salaries. Rather than making a general memo on salaries, Charles Gross and Robert Newburger are to have discussions with each individual partner.

6. Sanford Roggenburg, having completed his tenure on the Committee, was gratefully thanked by the Committee.

Meeting adjourned.

E 314

February 18, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, February 24, 1970, at 3:30 p.m.

cc: John F. Sattel

MINUTES

Executive Committee Meeting, February 24, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Ned D. Frank

Absent: Charles H. Gross

E 315

1. Robert L. Newburger reported on the conversations held in connection with salary and "committed capital" with Messrs. Edward R. Holt, George F. Conniff, Benjamin F. Peyser, Harold J. Richards and Ned D. Frank. Benjamin F. Peyser is considering withdrawing as a general partner; Harold J. Richards wants four (4) rather than six (6) "points"; George F. Conniff is postponing his decision on points" pending efforts to raise capital. In the case of Ned D. Frank, it was agreed that Newburger, Loeb & Co. would pay the approximate $14,000 interest payment on monies borrowed for the purchase of his seat.

2. Operations Report:

   a. Robert L. Stern reported that in an effort to further analyze January's results a comparable earlier month is being scrutinized and related by Berkowitz.

   b. Robert L. Stern reported that we are victims of an embezzlement in the amount of approximately $70,000.00 as of now. This figure is subject to change naturally It would appear that other brokerage firms are involved and that the total amount at this point is approximately $500,000.00. Our insurance people, our attorneys, the D.A.'s office and the local constabulary have the matter in hand. As of now, one employee of ours has been suspended. It would appear that others are implicated.

3. Ned D. Frank -- his term having been completed -- was thanked by the Executive Committee for his very real contributions.

Meeting adjourned.

February 25, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, March 3, 1970, at 3:30 p.m.

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Monday, March 2, 1970, 2:30 p.m.

E 316

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross

1. Operations Report:

   a. Robert L. Stern reported that our fail figures still look all right, particularly in regards to ratio between fails to receive and fails to deliver. We are running into a problem with fails on over-the-counter stocks attributable to our West Coast operation. This will have to be controlled.

   b. In connection with embezzlement, it would now appear that the figure involved is approximately $140,000. On advice of counsel, two of our employees have been suspended pending investigation -- two others have been discharged.

2. Charles H. Gross reported that he was far from satisfied with the report on proposed commission schedule changes from the New York Stock Exchange. He feels that Newburger, Loeb & Co. as a firm should make a presentation to the Exchange on our position on the matter. It was generally agreed that a major weakness of the proposal is omission of any incentive for bigger tickets.

3. Composition of the Executive Committee:

   a. John F. Settel was elected to the Executive Committee.

   b. It was decided to handle our past method of rotation on the Executive Committee somewhat differently. We will, from time to time, as we see fit, ask various partners and, in some cases, conceivably non-partners to sit on the Committee for that period of time that we shall then determine. It was also decided that Jack Schafer, Ed Rubin and Bob Therese would specifically be asked to serve in this somewhat random manner. It was decided that Jack Schafer come on the Executive Committee immediately for the next three weeks.

Meeting adjourned.

March 3, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, March 10, 1970, at 3:30 p.m.

MINUTES

Executive Committee Meeting, Tuesday, March 10, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Charles H. Gross
John F. Settel
Jack Schafer

Absent: Robert L. Stern

E 317

1. Bob Therese advised that there is nothing basic to report in connection with Operations. The embezzlement situation remains static.

2. John F. Settel reported on corporate finance activities.

   a. EduWorld will probably come the 23rd of March. The necessity for a big push was made clear to us. Our attempt will be to put this away ourself and premiums will be given to those men who dispose of substantial additional amounts that will stick for a minimum of 60 days.

   b. Letters of intent have been signed on Circuit Technology, a $2.3-million deal brought in by Jack Schafer, to come probably this summer.

   c. Goodson Todman Cable T.V., a $3-million deal brought in by Charles Regensburg, will probably come in the same time as Circuit Technology.

   d. Portable Parking Structures, a $4-million Fred Kayne deal with explosive earnings, will probably come in the late fall.

   e. We are negotiating with Benihana's Steak Houses. We are competing with D.H. Blair and Oliphant & Co. It is much too early in the game for us to predict our chances.

   f. There are several private deals in gestation.

   g. The N.B.A. Buffalo Franchise, brought in by Ned Frank, moves on rapidly. Carl Sheer as President and Eddie Donovan as General Manager have been announced to the press. This is a limited partnership and we will look for substantial pieces of money. Our targets will be wealthy people with high incomes who could find a tax shelter in the 20% annual depreciation of players and, if the history of N.B.A. Franchises should prove to be applicable to our venture, a substantial capital gains at the end of about five years.

   h. Phil Ryan and Jim Herbert are doing splendid jobs. What the department now needs is one additional star to operate in mergers and acquisitions.

E 318

3. Luncheon Clubs: It is our policy that Newburger, Loeb & Co. will pay dues and initiation for partners belonging to luncheon clubs. The payment for meals by Newburger, Loeb & Co. rests in the good judgment and propriety of those partners using this privilege.

4. Rights: We will formulate and distribute a memo which will describe a new method for bulk handling of Rights Odd-Lots.

5. Charles Gross reported on his visit to the West Coast. We are now operating from Century City with nine men -- one more coming aboard shortly and one other in prospect. It is a most exciting office -- vital with great potentiality. We will have our official opening April 1 or 2. A substantial delegation, carefully selected, will attend from New York.

6. It was decided that the California partners should be briefed on our Executive Committee meetings as are our other partners. Robert Newburger to implement.

7. Jack Schafer brought up for discussion the idea of relaxing our $5 minimum. Because of the fact that this may involve operational problems, further discussion will await Robert Stern's return.

8. Jack Schafer mentioned certain problems in connection with our Option Department. This will be discussed further when he and Robert Newburger have made a more thorough investigation of the facts.

9. The subject of Option conversions was brought up. We should all think about it and discuss it in detail in the near future.

10. The possibility of raising clearance-fees for our traders was brought up. We should get what information we can about how this is being handled generally on the Street and discuss it at our next meeting.

Meeting adjourned.

March 11, 1970
RLN/mb

NOTE: Our next meeting is Tuesday, March 17, 1970, at 3:30 p.m.

MINUTES

Executive Committee Meeting, Tuesday, March 17, 1970, 3:30 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Jack Schafer

E 319

1. Operations: Personnel in the Margin Department took lie-detector tests. It would appear that all personnel currently in the Margin Department are innocent. The giving of these tests naturally created a morale problem which was very effectively handled by Tom McConville.

2. EduWorld is expected to come on the 23rd of March. It is almost sold.

3. The N.B.A. Franchise Agreement will most likely be signed on the 20th of March. In the event of merger, it appears that our deal will be improved. Our participation in the Buffalo limited partnership is 8%. There was discussion of the probability of giving small parts of this percentage to two members of our organization.

4. It was decided to investigate the practicability of withdrawing from our One New York Plaza commitment. Andrew Newburger will start the ball rolling by communicating our desire to the attorney who has been handling the matter.

5. We lost money in February -- no firm figure yet.

6. It was decided to investigate the practicability of using Enel Holding Company in connection with our West Coast investment.-- (sale and lease back). A discussion was held on ways and means of putting our offices in the sort of condition that will be attractive to important producers (consolidation -- office closings -- possible purchase of someone else's existing office).

7. A discussion was held on the disposal of the Willis-Stevens business if Charles Stevens leaves New York (he has indicated that this is his plan). Internal disposal vs. using it as bait for an outside producer is the question

8. It was decided to have no relaxation of our $5 rule but to make exceptions, as we have in the past, where a good size ticket is indicated as well as guaranteed delivery. Control is vested in Chuck Sloane, Ed Rubin, Harold Richards, Robert Newburger and perhaps, in some cases, certain managers.

9. Investigation of the situation in the Option Department continues. It is apparent that we will have to decide whether to continue the operation as it is presently constituted or to reshape it.

Meeting adjourned.

E 320

March 18, 1970
RLN/mb

NOTE: Our next Executive Committee meeting will be held on Tuesday, March 24, 1970, at 3:30 p.m.

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MINUTES

Executive Committee Meeting, Thursday, March 26, 1970, 12:00 p.m.

Present: Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel

Absent: Robert L. Newburger
Jack Schafer

E 321

1. Operations Partner's Report: Robert Stern stated that our loans were up slightly at $20-million. Our fails are presently in good shape. He said that the one-half percent reduction in the prime rate instituted by the banks on March 25 would be passed along to our margin customers as soon as ACS could process this. The exact date is not known, but it will probably be effective Monday, March 30.

2. Corporate Finance: Jim Settel said that EduWorld is scheduled for Tuesday, March 31 and that all efforts are being pressed to make it a successful offering. He announced that Vic Berlin is resigning to [redacted] to Herzfeld & Stern and that Dick Matson will fill Vic's job in the Syndicate Department for the time being. We are looking for a girl who would be qualified to help Dick in this department. Dick Matson's arrangement is salary plus commissions.

3. Managing Partner's Report: Charles Gross stated that a private placement memo on our Buffalo Basketball venture, New Loeb Sports Enterprise, is being prepared and should be available shortly for carefully rationed distribution.

Charles Gross is discussing with Haberman Brothers what proper increased charge will be put on their trades. A charge double the present one for clearances would probably be effected on this account in addition to our other clearance accounts; i.e., Bacher & Roberts, Donald Dryfoos, Al Adelman and Perlberg, Monness, Williams & Day.

Charles Gross is talking to new parties regarding subordinated capital. We will now pay 3% on value of securities in new subordinated accounts and will pay 4%, the N.Y.S.E. limit, where indicated on occasion. Securities accounts held by partners should be converted to cash in order to give greater value to these accounts for capital purposes.

4. After investigating the possibility of relinquishing the One New York Plaza lease, it was decided that, under the present real estate conditions, the financial penalty for this would be too great to warrant such change in plans and, for the time being, it was determined to proceed toward occupation of the space.

Meeting adjourned

March 26, 1970
AMN/mb

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, April 7, 1970, 4:00 p.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Jack Schafer

E 322

1. Operations Report: No business, no problems. Our debit balances are probably slightly in excess of $32-million.

2. Charles Gross and Andrew Newburger reported at some length on the California junket. Everything very plus-y.

3. Our share of Rosen's trading profits in March was approximately $6,000.

4. Our Basketball deal is going well.

5. EduWorld bombed.

6. We discussed the possibility of closing our Brooklyn office.

   a. It is in a district going downhill.

   b. Rent is on a month-to-month basis.

   Virtually all the production in this office is represented by Bloch, Blank and Spiegelman. We feel that if we can place those men in other offices we will gain substantially by closing the office. Robert Newburger is to feel these three producers out as to relocation.

7. We are attempting to raise approximately $1-million of subordinated capital. This is not necessary for our operations but will look good ratio wise.

8. A few of our Account Executives asked that the sales restrictions set forth in our memo of November 4, 1968 be eased. We decided that we might very possibly remove or substantially soften the restriction mentioned in paragraph #1. Robert Newburger to discuss this with Ric Shearer before definitive action is to be taken.

9. We feel that most of our clearance arrangements should be amended along the following lines:

   a. Double clearance charged instead of single.

   b. 50-50 split instead of 60-40.

   c. Someway devised so that we can get what we consider our fair share of the $1 service charge recently imposed.

   Robert Newburger is to try this on for size with Haberman Bros. and Bacher & Roberts.

10. Andrew Newburger reported on One New York Plaza. The figures submitted by Miller for tenants work, electrical work, furniture and his own fees -- the cost of moving in -- comes to about $308,000, almost double Miller's original guesstimate. Andrew Newburger will inform Miller "NO". There will be a substantial paring down of costs and a continuing, agonizing reappraisal.

11. Leo Stern told us of his plans for retirement.

12. Jack Schafer, having completed his rotation on the Committee, was thanked for his very helpful services.

Meeting adjourned.

April 8, 1970
RLN/mb

E 323

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, April 14, 1970, 10:00 a.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel

E 324

1. Operations are basically satisfactory. We expect to encounter some problems with American Telephone rights, warrants and debentures. There is still some "box banging". We expect to correct this.

2. A resolution will be drawn up covering the mechanics of Leo Stern's retirement from the firm. Inasmuch as he had verbally informed some of us of his desires quite sometime ago, it is felt that this was tantamount to written notification. In effect, the resolution will point out that he may retire at the end of this year and may be "paid out" by April 30, 1971 at the latest.

3. Andrew Newburger was given the option to recover his percentage of participation in the profits and losses of Newburger, Loeb & Co. that he is now giving up -- such option to run until December 31, 1972. In order to recover, he will be required to pay the then value of the "points" involved. Payment per "point" shall in no case be less than $25,000.

4. One New York Plaza: Costs have been reduced $72,000 to approximately $250,000. We will continue to try to reduce costs to a base of $200,000. After lengthy discussion, our reluctant choice was to "stay with it".

5. Jim Settel reported, in quite some detail, on Corporate Finance. Among those items discussed were:

   a. EduWorld
   b. Manati Industries
   c. Ladlelife
   d. Goodson-Todman T.V.
   e. Circuit Technology.
   f. Delta Data Systems

He pointed out the grim market climate for deals -- a condition which has an effect on virtually all of the above-mentioned items.

6. A Buying Committee has been established consisting of the Managing Partner, the Partner in charge of Corporate Finance, the Director of our Syndicate Operation and Fred Kayne.

7. Our banking relationships were discussed -- they will be reviewed.

8. Andrew Newburger and Harold Richards are studying our equipment status with an eye to eliminating that which is unnecessary.

9. Perlberg, Monness is making a substantial contribution to our income.

10. The first week of our service charge grossed $11,000.

11. Subordinated Loans: Various avenues are currently being followed.

12. Charles Gross and Robert Newburger are still negotiating with Haberman Bros. and Bacher & Roberts -- purpose to raise clearance fees and change commission split.

13. It was decided to keep the Brooklyn office for the time being and to institute a somewhat more formalized Mutual Fund Program on the premises.

14. Robert Therese is to be invited to become a member of the Executive Committee for the next three meetings.

Meeting adjourned.

April 15, 1970
RLN/mb

cc: Robert F. Therese

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, April 21, 1970, 9:30 a.m.

E 326

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese ✓

1. The Roberts, Stern and Therese, reported that operations were smooth.

2. Robert Therese gave us a somewhat formalized report on "cage counts". The active box is counted every Friday -- it is in good shape. A cycle count is used in the Transfer Department. What few differences crop up are easy to correct and control. Safekeeping and CCS are in very good shape. We plan that everything be counted within 90-day periods to be scheduled on a random basis. We are running approximately 100 daily stock record breaks including coding errors. These are all being resolved. Bank loans were all verified.

3. We plan to acquire an internal auditor to operate in the Operations and the Comptrollers area.

4. Perlberg, Monness continuing to make a good contribution. California output is increasing. $15 service charge grosses about $12,000 per week.

5. Pete Titus asked for a new arrangement. Charles Gross and Ben Peyser will speak to him offering a combination of salary draw and percentage of profits.

6. Ratio of direct expenses to income has increased favorably. Approximately one-third of the Compliance Manual has been completed and will be explained and discussed with Managers and Assistant Managers this afternoon.

7. One New York Plaza: We are still paring costs.

8. Nadel & Co. has made a firm offer to underwrite EduWorld.

Meeting adjourned.

April 21, 1970
RLN/mb

NOTE: Next Executive Committee Meeting will be on Tuesday, April 28, 1970, at 9:30 a.m.

MINUTES

Executive Committee Meeting, Tuesday, April 28, 1970, 10:00 a.m.

Present: Leo Stern
Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Robert F. Therese

Absent: Charles H. Gross
John F. Settel

E 327

1. The auditors arrived last Friday and took a cage count. This count revealed 132 breaks which is now down to 9 ($4,000 on the long side and $12,000 on the short side). They estimate that they will be finished in four weeks -- all in all, very good.

2. We will be asking Marjorie Keller to leave -- compliance problems.

3. We are about to take on two new Account Executives from Goodbody's Pan Am office -- one institutional, one retail. They will work together for us in the Institutional Department. Their combined production in 1969 was $180,000.

4. NBA: We are running into snags -- this results from a reluctant Clothier. We hope to work this out as some of our emissaries are about to "shuffle off to Buffalo".

5. There is a potential branch office situation in Newark.

   a. Space -- ex-McDonnell
   b. Men -- ex-Winslow manager as leader (this is through a connection with Bob Therese).

Bob Therese and Ric Shearer will investigate further and report.

Meeting adjourned.

May 4, 1970
RLN/mb

NOTE: Next Executive Committee Meeting will be on Tuesday, May 5, 1970, at 2:30 p.m.

Newburger, Loeb & Co.

MINUTES

Executive Committee Meeting, Tuesday, May 5, 1970, 9:30 a.m.

PRESENT: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Robert F. Therese
Charles H. Gross
John F. Settel

E 328

1. Our fails to deliver are abnormally in excess of our fails to receive. This is the result of Perlberg's activity on the short side -- steps will be taken to correct this imbalance.

2. A lengthy discussion was held in connection with the relationship of income to expenses. It is apparent that we are operationally geared to substantially more volume than we are currently handling. It is therefore decided to radically cut expenses. As a result of this discussion there will be a number of salary cuts and severances -- partners salaries will also be cut. The amount to be decided at our next meeting.

3. We are taking out the "hotline" between the Margin Department and 38th Street.

4. A study is being conducted concerning the feasabilities of "bulk segregation". "Lurie"

Meeting adjourned.

May 11, 1970
RLN/lp

NOTE: Next Executive Committee Meeting will be on Tuesday, May 12, 1970, at 9:30 a.m.

MINUTES

Executive Committee Meeting, Tuesday, May 12, 1970, 10:00 a.m.

Present: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese

Absent: Leo Stern

E 329

1. In general, our audit is proceeding normally. However, many details were discussed.

2. We are giving some thought to a new type of financing for our N. B. A. Franchise -- along the public route.

3. Our volume is currently running at an all-time low.

4. We came to the conclusion that we will more than likely close the Brooklyn office.

5. We are giving serious consideration to opening a branch office at 250 Park Avenue. It is an old McDonnell office; the lease was taken over by Eastman Dillon who would like to get rid of it. If we take it, we will more than likely close the 74th Street, 57th Street 28th Street and Brooklyn offices. The rent for the first three mentioned offices is about $33,000 leas than for that of 250 Park Avenue. We discussed at great length the various savings to be made by this move as well as possible additional expenses. We will actively pursue negotiations for the space while concurrently ascertaining the cost of getting out of our current leases at the aforementioned offices.

6. Partners' Salaries: In line with recent employee wage cuts and in a further move to make current expenses more compatible with current income, it was decided to cut partners' salaries 15%. It was also decided that in no case should a partner's salary fall below $20,000 a year and that there were four partners whose salary cut would be handled slightly differently. Robert Newburger will speak to them privately.

7. It was decided to ask Bob Therese to a second three-week rotation.

Meeting adjourned.

May 12, 1970
RLN/mb

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, May 19, 1970, 10:00 a.m.

Present: Robert L. Newburger
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese

Absent: Leo Stern

E 330

1. Operations -- normal.

2. A cut in commission rate for Roggenburgs -- pere et fils was discussed. It was agreed that they should receive 45% but that we would no longer pay for their assistant. Andrew Newburger and Charles Gross will inform them.

3. It was decided that any reductions in interest rate requested by an Account Execut would be okayed only in those cases where the Account Executive will agree to the amount of money involved being deducted from his net commission income.

4. A general discussion was held concerning the possible closing of the 38th Street, 28th Street and 74th Street offices and negotiations for the renting of the office at 250 Park Avenue. To date, we have been unable to make any arrangement to get out of the above mentioned leases except for the fact that the landlords will permit us to sub-let. Certain points to be used in the negotiations for 250 Park Avenue were discussed for the meeting that Andrew Newburger and Ric Shearer have this afternoon.

Meeting adjourned.

May 19, 1970
RLN/mb

MINUTES

Executive Committee Meeting, Tuesday, May 26, 1970, 9:30 a.m.

Present: Robert L. Newburger
Charles H. Gross
Robert L. Stern
Andrew M. Newburger
Leo Stern
John F. Settel
Robert F. Therese
Ned D. Frank

E 331

1. Operations -- normal.

2. May has shown greatly improved production.

3. Final decision to close Brooklyn pronto was made. Robert L. Newburger will get the ball rolling.

4. A discussion was held in connection with our most recent case of hanky-panky. There seems to be a growing confidence in the validity of an insurance claim.

5. A lengthy discussion was held of our desire to raise additional capital. Our target is $_,000,000.

6. It was decided to structure a status report to limited partners.

7. It was decided to cut $36,000 (on an annual basis) from Research Department.

8. Plans were made for Jacobs and Horen to wear two hats.

Meeting adjourned.

Next Meeting - June 2, 1970

May 28, 1970
RLN/raf

NEWBURGER, LOEB & CO.

MINUTES

Exeuctive Committee Meeting, Thursday, June 4, 1970, 10:00 a.m.

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese
Ned D. Frank
Fred Kayne
Charles Sloane

E 332

1. Operations - The auditors are pretty well finished up. Our fail ratio is good.

Due to the recent increase in volume, we have been running into some overtime in the P & S and Cage. We will probably have to take on two additional P & S clerks.

2. Brocklyn Office - Target date for closing is the 15th of this month. Bloch, Blank and Bjorn will move to the 28th Street office. Spiegelman will not stay with us.

3. Buffalo - The situation is little changed. So far, we have received $150,000 of investors' money.

We have received a proposal from Eli Landau that would take us out of the picture at no loss and would gives us warrants on a security listed on the American Stock Exchange. We have also been negotiating with S. D. Lunt for a public underwriting.

Five hundred season tickets have been sold so far. Our ticket selling campaign starts on the 15th of this month.

4. 250 Park Avenue - The question for consideration was shall we close 74th Street, 57th Street and 28th Street offices and consolidate the "good" production from those offices for a new office at 250 Park Avenue. This matter was discussed at great length. We went into figures representing expenses, potential retained production and potential production that would hopefully rise from proselyting. The Committee unanimously agreed to take this step. (The decision is contingent on the ability of our figures standing up to Wagnes' sharp pencil.)

5. Bacher & Roberts made a mild departure threat. They claim that they can do better elsewhere than the new increased split and clearance rate. The Committee decided not to yield on our rates.

6. Research - The $36,000 (on an annual basis) cut in expenditures for Research had been held in abeyance because Ric Shearer is anxious to make a pitch against this reduction. It was decided that Ned Frank, Jim Settel and Chuck Sloane would meet with Ric -- hear him out -- and then decide what action to take.

7. Los Angeles Progress - Fred Kayne, along with Chuck Sloane, sketched the history of the offices to date. Century City started to break even in May -- it has turned the corner. There are six vacant producers positions. Approximately 15 producers have been interviewed -- Chuck and Fred are using a high standard of selectivity for these openings. In connection with our Beverly Hills office, it was mentioned that Bob Brandt has obtained a back-up account executive. Four brokers in that office are restricting themselves to calling on Institutions. They have been working on an oil deal that, late summer or early fall, should be lucrative commission wise. The activities of the researchers in California are controlled by the partners there. Rather than selecting for themselves what companies to cover, they are given targets by our producers.

   Fred and Chuck pointed out that they were unhappy about the lack of financial reports and other information as well. They pointed out that this made it difficult for them to stay au courant and to plan future activities. The Committee felt that their complaints were valid. Bob Stern, working with Jim Settel, will be responsible for setting up a system of reports and the dispensing of necessary information, etc. They will more than likely, at this point, confer with "outside talent".

8. It was decided not to include the $15 service charge in figuring location profit for California.

9. There have been no appreciable California customer complaints on interest rates.

10. We plan to join the Pacific Exchange in the not to distant future.

11. There was a brief discussion of possible expense cutting at Bracker/NL Associates.

12. The suggestion was made that we meet with our limited partners. It was decided to postpone any action on this suggestion until we get proper pro-forma figures.

13. Jim Settel reported on prior suggested changes in the Syndicate Department. It was decided not to move Matson at this time. He seems to be doing a satisfactory job. Jim Settel will handle the situation in his own discretion.

Meeting adjourned.

June 5, 1970
RLN/mb

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Thursday, June 11, 1970, 10:00 a.m.

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese
Ned D. Frank

E 334

1. The auditors have completed their work and will file momentarily with the Exchange.

2. Urban Coalition has made an appeal for a contribution from us. It was decided that each partner will handle this matter individually.

3. It was decided that Chuck Sloane and/or Fred Kayne will attend Executive Committee meetings once a month.

4. 250 Park Avenue: We have a "hand shake" agreement to lease this space at $18 per square foot for five years. It will probably take a couple of weeks for an actual lease to be drawn up and signed. Said lease to start the 15th of August. We will buy the furniture and fixtures from Eastman Dillon for $5,000 (maximum). Herb Horen has been appointed Project Manager. There was further discussion about informing the involved Account Executives and handling public relations properly.

5. The Robert Stern-John Settel "Pro-forma" Committee reported. It appears that they will have that which we wish in a week to ten days.

6. A general discussion was held on the desire and need to raise additional capital. On this happy note, we adjourned.

June 12, 1970
RLN/mb

NOTE: The next Executive Committee meeting will be held on Thursday, June 18, 1970, at 9:30 a.m.

MINUTES

Executive Committee Meeting, Thursday, June 18, 1970, 9:30 a.m.

Present: Robert L. Newburger
Leo Stern
Robert L. Stern
Charles H. Gross

Absent: Andrew M. Newburger
John F. Settel

E 335

1. Operations -- normal.

2. Personnel Status Reports -- We received our first comprehensive, formal personnel status report dated June 17. We will continue to receive them bi-monthly -- copies will be sent to Chuck Sloane.

3. It was decided to mount a more formalized campaign to proselyte for high production Account Executives.

4. It was decided that we would demand a minimum equity of $1,000 in all margin accounts.

5. Charles Gross is leaving for California Wednesday to discuss possible dissolution of NL/Bracker Associates.

6. Progress report on 250 Park Avenue:

   a. Lease -- still in the hands of the lawyers. Landlord is busy making minor repairs and alterations.

   b. Projections for opening -- earliest August 1, latest August 15.

   c. A report was given in some detail of equipment requirements and program for installation -- quite satisfactory.

   d. It was found that recovery on furniture and fixtures in the three offices that are to close are minimal at best.

   e. A report was given on research done anent sublet potential of the three offices that are to close:

      1. 74th Street -- no problem

      2. 57th Street -- looks like a 50% recovery

      3. 28th Street -- this will be a tough nut to crack, probably from very little to zilch.

7. Harold Richards and Ned Frank will begin a three-week rotation at the next meeting of the Executive Committee.

E 336

June 18, 1970
RLN/mb

NOTE: The next Executive Committee meeting will be held on Tuesday, June 23, 1970, at 9:30 a.m.

cc: Harold J. Richards
Ned D. Frank

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, July 14, 1970, 9:30 a.m.

E 337

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Robert F. Therese
Ned D. Frank
Harold J. Richards
Fred Kayne

1. Operations: A segregation count was held -- good results. Stock loan shows a good spread. Bank loans at $13,800,000 -- historically quite a low figure.

2. Cost Control: Robert Stern spoke onthe subject of recent reductions. General payroll has been reduced $24,000 monthly. Fringes reduced $2,000 monthly. Partners' salary cuts $20,000 monthly. The closing of the Beverly Hills office $17,000 monthly. Various equipment cuts $3,000-$4,000 a month. Cutting number of statements to be mailed $500 a month. Printing and forms control, stationery cost cuts, etc. should save about $4,000 a month. Monday Morning Market Letter cutdown, about $100 a month savings. Moving the Margin Department should save $500 a month. The closing of three offices will lead to substantial savings. Phone control perhaps involving Q billing should effect a savings. Travel and expense is to be cut down. Cuts in Corporate Finance should save $2,000 a month. Floor brokerage can and will be cut. An effort will be made to reduce "chop" and supper money. Robert Stern and Robert Therese will work this out together. All in all, these reductions should save us about $77,000 a month.

3. Production Committee: Robert Newburger reported on the progress of the Committee. A proposal was made concerning proselyting incentives. The Board agreed to the suggested format. A monthly list of our ten best producers is to be circulated internally.

4. Century City: Fred Kayne reported that the consolidation of the Beverly Hills production into Century City and the closing down of the Beverly Hills facilities is pretty well completed. Four vacancies still remain in Century City. Chuck and Fred are seeing new people constantly. They expect the office to be filled by the end of August. Institutionally, Fred is beginning to see "bits and pieces". In Corporate Finance, seven matters are in work. The oil participation deal is working out particularly well. The Coast is utilizing their research in Fred's words "as a profit center". Fred stated that they felt a need to be better and more continually informed.

5. 250 Park Avenue: We expect to sign the lease tomorrow, July 15.

6. N.B.A.: It appears that sale to an individual is likely to take place before the end of July.

7. Capital: Al Rosen is to meet with us on Thursday, July 16. Jim Herbert is working on subordinated capital. Withdrawal of capital by Brown & Wachs was discussed.

E 338

July 14, 1970
RLN/mb

NOTE: The next Executive Committee meeting will be held on Tuesday, July 21, 1970, at 9:30 a.m.

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, July 21, 1970, 10:00 a.m.

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
John F. Settel
Harold J. Richards

Absent: Robert F. Therese
Ned D. Frank

E 339

1. Cost Control: Robert Stern reported --

   a. It appears that we can save $6,000 monthly stationery cost, which is $2,000 better than our prior estimate. We are exploring the feasibility of utilizing thermography instead of engraving. This could lead to a substantial savings.

   b. Work is still being done on the reconstruction of the Monday Morning Market List.

   c. Investigation of telephone bills (number of regular and auxiliary lines) is being conducted. We have a sneaking suspicion that we are being billed for lines no longer existent.

   d. Corporate Finance: We should be able to keep non-applicable cost to $500 a month.

   e. T & E: This costs us $49,000 for six months; $4,800 was for plane tickets, $6,200 for football and basketball tickets. Robert Stern was asked to police T & E.

   f. We canceled our after-hour guard. This leads to savings of $500 a month.

   g. Our extra cleaning service is being canceled.

2. Production Committee: Robert Newburger reported that this Committee has had virtually daily meetings. A list of the "Finest 15" in New York has been compiled. Robert Newburger, along with Rick Shearer and/or Dick Jacobs, is to interview them individually to --

   a. Ascertain what we can do to improve their production and elicit from them whatever productive ideas they may have.

E 340

2. Production Committee continued:

b. Discuss with them our new proselyting incentive plan. Four of these men have now been interviewed with encouraging results.

Concurrent with these interviews, two courses for our AEs are being formulated, to start no later than August 1. One course is for those men with no sales training, little experience but a real potential. This course will be designed to teach them to organize their desk and their time. They will be checked and supervised in the use of the working tools that will be given to them. The other course will be for our more sophisticated AEs -- those that we feel will be receptive to concrete production ideas. This course will include lectures followed by question and answer sessions given by those members of our organization who are professionally competent in specific production areas.

3. Managing Partner's Report: Charles Gross reported that --

a. Affairs at Newburger, Loeb & Co. in general have stayed dead level during the past week.

b. We are having a problem with loans at our banks, collateralized by securities selling under $10. In an effort to alleviate this condition, it was decided that --

1. No margin credit will be given to stocks selling under $5.

2. A 50% minimum maintenance will be required for stocks selling between $5-$10 a share.

3. We will require a minimum of $1,000 equity in any margin account where a debit balance exists.

Harold J. Richards was thanked for his contributions during his term on the committee

Meeting adjourned.

July 21, 1970
RN/mb

NOTE: The next Executive Committee meeting will be held on Tuesday, July 28, 1970, at 9:30 a.m.

2. Production Committee continued: E 341

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Meeting adjourned.

July 21, 1970
RLN/mb

NOTE: The next Executive Committee meeting will be held on Tuesday, July 28, 1970, at 9:30 a.m.

NEWBURGER, LOEB & CO.

MINUTES

E 342

Executive Committee Meeting, Thursday, July 30, 1970, 10:30 a.m.

The meeting was devoted to the matter of membership of the Executive Committee. The members of the Executive Committee present were Andrew M. Newburger, Robert L. Newburger, Leo Stern and John F. Settel. In attendance also were Ned D. Frank and Robert F. Therese. It was decided that the Committee will consist of:

Ned D. Frank
Charles H. Gross
Fred Kayne
Robert L. Newburger
John F. Settel
Robert L. Stern
Robert F. Therese

Andrew M. Newburger, Charles S. Sloane and Leo Stern will serve as alternate members*.

Ratification by Charles H. Gross and Robert L. Stern is necessary to make the above-mentioned action properly effective.

*Alternate members attend and participate in Executive Committee Meetings. They do not, however, have voting privileges except that, whenever a voting member is absent, an alternate member is given that voting members privilege.

Meeting adjourned.

July 31, 1970
RLN/mb

NEWBURGER, LOEB & CO.

MINUTES

Executive Committee Meeting, Tuesday, August 11, 1970, 4:00 p.m.

Present: Robert L. Newburger
Leo Stern
Andrew M. Newburger
Robert L. Stern
Charles H. Gross
Fred Kayne
Robert F. Therese
Ned D. Frank

Absent: John F. Settel

E 343

The Minutes of the prior meeting were read and accepted with the following correction -- Andrew M. Newburger is alternate specifically for Robert L. Newburger, Charles S. Sloane is alternate specifically for Fred Kayne, and Leo Stern is alternate specifically for Robert L. Stern.

OLD BUSINESS

1. Fred Kayne spoke about the N. B. A. situation. He has asked John Settel to devote himself almost exclusively to this project. We are moving full speed ahead towards an intra-state underwriting for approximately 40%. It appears that we may well be co-underwriters with S. D. Lunt & Co. in Buffalo and Bonbright & Co. in Rochester. We will more than likely act as managing underwriter. Concurrent with the underwriting project, we will seek to find a buyer or buyers, investor or investors for the remaining 60% of the franchise.

2. Real Estate: Fred Kayne mentioned that a study has been made on our Real Estate commitments to facilitate our strategy for disposal. We are about to close rental of the 74th Street office momentarily. Our big thrust in Real Estate is to remove our commitment for One New York Plaza. A conference was held with Golenbock & Barell in order to assess our position. Said conference was apparently most unsatisfactory. It was decided that we should research the possibility of retaining the services of a specialized Real Estate counsel in this matter.

3. Insurance: Charles Gross reported that his visit to the Great American Insurance Company to negotiate a Broker's Blanket Bond was unsuccessful.

NEW BUSINESS E 344

1. Assignment of vested interest in "paper" accumulated since 1/1/69: It was decided that interest in "paper" is the property of each general partner in relationship to his interest in the profits and losses of the firm at the time the "paper" was earned not at the time it will be disposed of.

2. Notice of fine to capital contributors: The New York Stock Exchange requires that a copy of its censure of Newburger, Loeb & Co. be placed in the hands of all capital contributors. Charles Gross and Robert Newburger were given the responsibility to implement.

3. Major changes already effectuated: Fred Kayne discussed certain positions of responsibility as set forth in attached Exhibit A.

4. Fred Kayne spoke on various matters --

   a. He discussed various management tools that are being brought to bear.

   b. He pointed out that Ned Frank, as Partner of Compliance, is to take over the Tepper matter and the handling of unsecured debits.

   c. He mentioned that a substantial producer of Mutual Fund business has been secured for 250 Park Avenue. This particular Account Executive sold $9-million worth of mutual funds in 1969 -- $2-million so far this year.

   d. He reported that the raw figures for July show a loss of $110,000-$130,000. This results from dramatically falling revenues. Fred spoke in general about our future cash requirements. Our program must be to improve revenues and to continue cost production. We are attempting to renegotiate our agreement with ACS.

5. Charles Gross resigned the position of "Managing Partner".

6. Fred Kayne was appointed Managing Partner.

Meeting adjourned.

August 12, 1970
RLN/mb

NEW POSITIONS OF RESPONSIBILITY THAT HAVE BEEN DONE

E 345

1. Ned Frank - Partner of Compliance
2. Jim Settel- Partner - Charge of Basketball
3. Bob Therese - Partner in Charge of Operations
4. Ed Rubin - Reports to Operations Partner
5. Bob Stern - Reports to Operations Partner
6. Robert Newburger - Becoming NYSE Floor Partner
7. Andy Newburger - Becomes Resident Partner - 24th Floor
8. Harold Richards - Becomes Resident Partner - 250 Park Avenue

Executive offices have been moved for greater efficiency.

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 (212) 944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 38th Street
57 West 57th Street at 6th Avenue
1900 Ave. of the Stars, Los Angeles, Calif.
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
920 Flatbush Ave. at Church Ave., Bklyn.
110 N Doheny Dr., Beverly Hills, Calif.

E 346

Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

MINUTES OF THE
EXECUTIVE COMMITTEE
MEETING of OCTOBER 9, 1970

The Executive Committee Meeting commenced at 10:45 A.M. with the following in attendance:

Messrs:

*Ned D. Frank
*Fred Kayne
*Robert Newburger
*Robert Stern
*Robert Therese
Andrew Newburger (alternate for ~~Jon Settel~~)
Robert Persky (counsel)

* voting member

It was explained to the Committee that the purpose of Mr. Persky's presence at this meeting was to answer any questions which might arise with regard to partnership agreements or any other questions pertinent to the business of the firm and/or the partners.

Fred Kayne opened the meeting by requesting a review of the agenda.

1. Charles Gross: Mr. Gross resigned, effective September 30, 1970. The New York Stock Exchange and The American Stock Exchange have asked for clearance and Heine & Co. has requested a release for Mr. Gross.

It is the opinion of counsel that an amendment to the agreement is required in order to confirm Mr. Gross's release from the non-competitive clause. Mr. Kayne took a preliminary survey of the partners present which indicated that an amendment could not be approved at this time.

Ned Frank is responsible for drafting a reply to NYSE, AMEX and Heine.

2. Salaries: A vote was taken with regard to the approval of the proposed new salary schedule:

In favor: Messrs: N. Frank, F. Kayne, R. Therese
Opposed: Messrs: R. Newburger, P Stern
Results: 3:2 in favor of the new salary schedule.

E 347

This will be retroactive to October 1, 1970.

3. Tax Assignments: Fred Kayne as Managing Partner, having a fiduciary relationship with Newburger, Loeb & Co. and to the partnership as a whole has exerted every effort to have those partners with deficit accounts to either bring their capital account out of deficit or sign the tax assignments. It is Mr. Kayne's feeling that in six weeks, he has done all he can to explain in detail the financial condition of the firm, the problems of not having this capital in the firm, etc. He has personally spoken with Charles Sloane and John Settel who will have their tax assignments duly executed and in the hands of Fred Kayne next week.

Robert Stern has no objection to assessing his tax return in some fashion and is prepared to discuss this in the presence of counsel next Tuesday. He is not aware of anyone in deficit position who has not put his tax refunds back into the firm.

Ned Frank has been advised by NYSE and has in the past advised members in the firm in deficit that this is a common thing on Wall Street. The Exchange has assisted firms in securing bank loans based on tax returns and accelerate returns so many firms have been prevented from going out of business through one of these procedures. To Mr. Frank's knowledge, there has been no attempt to borrow money or accelerate any of the substantial tax refunds these individuals have coming to them.

NOT MENTIONED AT MEETING

One possible remedy should a deficit partner fail to bring his capital up and refuse to sign a tax assignment: the matter could be brought to the Exchange Arbitration Board as Firm vs. Partner in Deficit.

X

Fred Kayne has asked Bob Persky to complete the necessary research for alternative actions.

The non-executive partners have not been approached regarding tax assignments as yet. Mr. Kayne believes that it would be inappropriate to do so until the executive partners have fulfilled their requirements.

E 348

4. The 1968-69 partners will draft a proposal for an equitable handling of expenses/profit regarding the back office losses of that period.

5. It was unanimously agreed to raise the Risher/Muh retainer from $5,000 to $8,000 per month.

6. A vote was taken with regard to expanding the California office by signing a lease for the entire 23rd floor of 1900 Avenue of the Stars for a period of fifteen years:

In favor: Messrs: N. Frank, F. Kayne, R. Therese
Opposed: Mr. R. Stern
Abstained: Mr. R. Newburger
Results: 3:1:1 in favor of the expansion of the California office space.

7. It was confirmed that the 38th Street office would close officially on the 23rd of October.

8. The next Executive Committee Meeting will be held in Fred Kayne's office at five o'clock on the 19th of October.

The meeting was adjourned at 1:40 P.M.

Minutes prepared and submitted by:

F. L. Arlen

Newburger, Loeb & Co.

SOUND INVESTMENT SERVICE SINCE 1899

5 HANOVER SQUARE, NEW YORK, N.Y. 10004 (212) 944-6300

Branch Offices

4 East 28th Street at 5th Avenue
525 Seventh Avenue at 39th Street
57 West 57th Street at 6th Avenue
1900 Ave. of the Stars, Los Angeles, Calif.
2091 Broadway at 72nd Street
931 Madison Avenue at 74th Street
920 Flatbush Ave. at Church Ave., Bklyn.
110 N Bohany Dr., Beverly Hills, Calif.

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Members New York Stock Exchange · American Stock Exchange · Chicago Board of Trade · New York Cotton Exchange · Commodity Exchange · New York Cocoa Exchange

MINUTES OF THE EXECUTIVE COMMITTEE MEETING OF OCTOBER 16, 1970

The Executive Committee Meeting commenced at 12:20 p.m. with the following in attendance:

Messrs:
Ned D. Frank
Fred Kayne
* Andrew Newburger
Robert Newburger
John Settel
Robert Stern
Robert Therese

* Alternate Member

Andrew Newburger, Robert Newburger and Robert Stern recorded an objection to the lack of notice given for the Executive Committee Meeting.

Fred Kayne noted that Robert Persky is not present at todays meeting because of Robert Newburger's request.

Fred Kayne requested a review of the agenda.

Old Business:

1. Tax assignments and deficits: Fred Kayne reported that Robert Persky is still investigating the course of action that the partners should take regarding tax assignments and deficits. Mr. Persky will probably have his recommendation at the next Executive Committee Meeting.

2. Louis Bracker: An arbitration against Louis Bracker is to be instituted.

3. Back-office Losses: Fred Kayne proposed that Robert Therese be responsible for cash flow and recovery of 1970 conversion problems. Ned Frank and Robert Stern, acting as a committee, are to offer a proposal for 1968 - 69 recoveries, allocations of cost and time table problems at a future Executive Committee Meeting.

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New Business

1. Proposed Basketball Team Sale: John Settel distributed attached memo outlining the terms of the proposed sale.

Fred Kayne presented a resolution to the committee:

That the Executive Committee unanimously ratify all the actions and negotiations and documents related to the basketball team; and that the Executive Committee empowers John Settel to proceed and close the deal with Paul Snyder and make any necessary revisions and negotiations as he sees fit.

A vote was taken resulting in a unanimous yes.

2. Replacement for Charles Gross on the Executive Committee: Fred Kayne made a motion that Charles Sloane be appointed to the Executive Committee as the seventh member on a permanent basis. Motion seconded by Robert Therese.

Robert Newburger suggested that Andrew Newburger be added to the Executive Committee.

Ned Frank made a motion to end discussion and to vote on the motion. Robert Therese seconded the motion.

In favor: Messrs. N. Frank, F. Kayne, J. Settel, R. Therese
Opposed: Messrs. Robert Newburger, Robert Stern

Motion defeated as unanimous vote required on this motion.

3. New Branch Manager - Main Boardroom: Fred Kayne announced that Stanley Slobodien has been employed in the above position.

4. Charles Gross as a Registered Representative of Newburger, Loeb: The Executive Committee agreed to allow Charles Gross to be a Registered Representative for Newburger, Loeb.

5. Interest on excess capital: Ned Frank presented a memorandum to the Executive Committee in regard to interest on excess capital. A motion is to be presented on this at the next Executive Committee Meeting.

6. Other Matters

a. Fred Kayne distributed a balance sheet as at September 25, 1970. A copy is to be forwarded to Robert Newburger's lawyer.

b. John Settel moved that Fred Kayne be made Chairman of the Executive Committee, in addition to his duties as Managing Partner. Motion

seconded by Robert Therese .

In favor:	Messrs: N. Frank, F. Kayne, J. Settel, R. Therese
Opposed:	Mr. Robert Newburger
Abstained:	Mr. Robert Stern
Results:	4:1:1 in favor

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Fred Kayne is the new Chairman of the Executive Committee.

c. Robert Therese recommended the seating arrangement of the 8th floor at 5 Hanover Square be reviewed by a committee. Fred Kayne appointed a committee consisting of Robert Newburger, Robert Therese and John Settel to review the seating arrangement.

d. At Andrew Newburger's request, Fred Kayne reviewed the office space at Century City.

e. The Option Department is to be the responsibility of the Board Room Manager.

Meeting adjourned.

ADDENDUM TO THE
EXECUTIVE COMMITTEE MEETING MINUTES
OF OCTOBER 16, 1970

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Addition to page 1, paragraph 3 regarding Robert Persky's absence at todays meeting, Robert Newburger stated for the record that the reason for his request was that he felt it was a needless expenditure of money.

Addition to topic 2, under New Business, page 2, as last paragraph: Mr. Robert Newburger stated for the record that he was not in actuality voting against Charles Sloane, whose ability he certainly does not denigrate; but rather, was voting that the committee not be expanded at this time and that if it be expanded, that Andrew Newburger be returned to the Committee.

Addition to topic 4, under new business: The Executive Committee agreed to allow Charles Gross to be a Registered Representative for Newburger, Loeb, providing that he sign a proper document assuring that the contractual rights of Newburger, Loeb in relation to Charles Gross would not be prejudiced.

MINUTES
October 27, 1970
EXECUTIVE COMMITTEE MEETING

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I. The Executive Committee Meeting commenced at 4:30 P. M. with following in attendance:

Ned D. Frank
Fred Kayne
*Andrew M. Newburger
Robert Newburger
John F. Settel
*Leo Stern
Robert Stern
Robert Therese
* alternate

II. Robert Newburger made a motion that all the minutes, with addendums of the Executive Committee Meetings as of August 3, 1970, be accepted and adopted. The motion was seconded by Bob Therese and was unanimously passed.

III. Old Business

(a) The Tax Assignments and Deficits report by Robert Persky will be presented at the next Executive Committee Meeting.

(b) The discussion of the '68 and '69 recovery of back-office losses will be postponed until the following meeting in order to permit more extensive discussions.

(c) Jim Settel outlined the progress of the basketball sale and expressed his hopes for a closing this week.

(d) Ned Frank made a motion that as of October 1st, the partners' capital accounts be changed monthly to reflect each month's profit or loss and that interest will be paid based on this new method. He further made a motion that the above procedure be made retroactive to March 1st and that all partners' accounts be adjusted and all overpayments be returned (including those of former partners).

Robert Therese seconded both of these motions which were subsequently voted upon with unanimous approval for each.

(e) The relocation of offices at 5 Hanover Square was discussed, wherein Fred Kayne made the point that the Corporate Finance people needed offices and that the only partner moving out was Bob Therese who would be moving to the 10th floor because it was best for the firm.

The moves are as follows:

Bob Therese moves to the 10th floor and Irwin Friedman and Jim Herbert (both of Corporate Finance) move in.

Phil Ryan will move in with Bob Newburger.
Andrew Newburger will move in with Leo Stern.
Robert Muh and Larry Berkowitz will move into Andrew Newburger's office.

A vote was taken with the following results:

In favor: Fred Kayne, NedFrank, Jim Settel, Bob Therese
Opposed: Robert Newburger
Abstained: Robert Stern
Results: 4:1:1 in favor, the moves shall be made.

(f) A meeting with the two lawyers for the Estate of Morris Newburger will take place on Friday, October 30th, therefore, the report will be presented at the next Committee meeting.

(g) As Charles Gross has not yet responded, the matter has not been resolved.

IV. New Business

(a) W. E. Hutton - Ned Frank made a motion that we ratify the following: "We allow Willard Earle, Miriam and W. H. Davies to withdraw their capital prior to the stated withdrawal waiting period so they can subordinate accounts with W. E. Hutton."

The motion was seconded by Bob Therese and was unanimously passed.

(b) Fred Kayne made a motion that the Committee authorize Ned Frank to negotiate as necessary with Simonoff, Peyser in order to make a full settlement. If this cannot be settled reasonably, they can seek legal remedies.

Jim Settel seconded the motion which received unanimous approval.

(c) A committee was formed with the following members: Fred Kayne, Ned Frank and Robert Newburger, who will report back with a written recommendation on the 15th of December regarding the allocation of tax losses of partners. Since Max Freund has been working closely on this matter, he will continue to be consulted.

(d) Robert Newburger made a motion that a committee of three be formed to settle back losses with Ben Pyser and to negotiate as necessary. The committee will be comprised of: Fred Kayne, Ned Frank and Bob Stern.

The motion was seconded by Bob Therese and was unanimously approved.

(e) The date for the next General Partnership Meeting has been scheduled for November 9th at four o'clock on the 24th floor of 5 Hanover Square.

V. There will be a meeting on Friday, October 30th, of all the managers at which time it will be announced that they will report to J. F. Settel.

VI. The next Executive Committee Meeting will take place at 4:00 P. M. in Fred Kayne's office on Thursday, November 5th.

VII. The meeting adjourned at 6:30 P. M.

Minutes prepared and submitted by:

F. L. Arlen

Meeting of the Executive
Committee of Newburger, Loeb & Co.
Saturday, November 21, 1970
1:20 pm

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Present: Robert L. Newburger, Ned Frank, Robert L. Stern, Robert H. Therese. Alternate: Andrew M. Newburger; Observing: Paul D. Risher

1. CORPORATE FINANCE
   1. Paul Risher wants Bob Muh to handle this
      a) Review what we need now
      b) Jim Herbert is not expensive.
      c) What is Phil Ryan's position?
         - Risher recommends Ryan leave in January/71

2. SALES (Fred Kayne has said he will help out in this area.)
   a) Settel to continue in Sales.
   b) Should S. Slobodian be kept? if not, then should Settel replace him?
   c) Ric Shearer requires $10M, and he wants to go on production, but not during office hours. Is such a practice possible?
   d) Question?! CAN WE AFFORD BRANCH OFFICE MANAGERS?
   e) Ned Frank asked if firm would like him to stay on as an RR starting Dec. 1st. If so he wants the $60,000 his accounts have done so far this year to give him the increased commission rate for over this amount. $600/mo. Was told he would be told decision Monday 22.

3. COMPLIANCE - What partner should be in charge of this. Bob Stern was designated to work with Dick Miles.

4. Liason with W E HUTTON:
   a) Financial Items.
      Paul Risher and Henry Montgomery will deal with Lambiasi and Jim Barbi
   b) Order Handling and $2 business
      Paul Risher and Bob Newburger will speak to people at WEHutton
   c) Operations - Bob Therese will supervise.
   d) Should Berkowitz or Miles work with Bill Flay. Decided for present it should be Miles.

5. MAJOR COST CUTTING
   Risher set up a team: Muh, Montgomery, Risher
   Areas to be covered: 1) Leases 2) Communications (Muh is working on bills) 3)QQotation services, Telequote III, Tickers, boards, etc.

6. A/E COMPENSATION *
   The addition of new production would allow us to maintain a high rate.

(Bob Therese mentioned that we are now writing checks in the board room and branches on "NL and Co. WEH a/c"

(No expenses/ over $200/yr are to be approved without the approval of Paul Risher or Bob Muh.
a)Also no checks are to be signed by anyone except Bob Stern, or, in his absence, Andrew M Newburger. Risher or Muh are to see and approve each check request.)

7. GROSS EMPLOYMENT
Ned D Frank brought up the question of Charles Gross' AD-12 form. He objected to this being filed with the NYSE saying Gross had done nothing wrong. (The form saying this.) Bob Therese also objects. Bob Newburger noted that after Bill McGovern signed the form he, RLN, gave it to Bob Persky to hold in case it should be deemed proper to file it.. Bob Newburger had discussed the matter with Fred Kayne, who said he saw no reason not to. RLN had asked Paul Risher his opinion. Risher said that Charles Gross could not use this as leverage. Bob Newburger will tell Bob Persky that there is an objection to the form being filed.

8. POSSIBLE REARRANGEMENT OF PERSONNEL. Physical location. Therese, Settel and Bob Newburger are a committee.

9. PARTNERSHIP SALARIES . Bob Therese has accepted a salary cut of $8,000, suggested by Paul Risher.

There are to be no retroactive changes for Novemebr.

Paul Risher reccommends that there be no partners' salaries. He recognizes, however, that this poses problems in the case of some partners.

10. CHARLES GROSS' CHARGES - It was decided that CHG's Jet Football tickets, Life Insurance, and $500 loan should be charged-to his capital a/c.

11. PAUL RISHER'S RESPONSIBILITIES AND AUTHORITY
To approve any expense less than $1,000. To make committments to people up to $30M/yr salaries. Henry Montgomery is getting $120/day
Aaron Weiss is the figures man in accounting. Paul also wants to have final approval on any private placement or financing.

ROBERT L STERN SAID "We must present a plan to either sell or merge, or to convince the Limited Partners we can eventually run the firm profitably"

Meeting adjourned at 3:30 pm

Meeting 1/27 - RLN,AMN,RLS,RDS, Paul R er, Bob Muh

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1. Roggenburgs should get scale identical to A/E's.

2. Sloane. Muh spoke to him re reduction in salary and he will get back to Muh on this shortl

3. All partners except resigning partners salaries are to be reduced to $1,000/mo retroactive to Nov. 1/70. Floor partners and certain other jr. partners may be exceptions. RLN will inform each partner. AMN will assist where neccessary.

4. 72nd St Office. If we close it would our good men leave NL and Co. We want them to come to 250 Park or 5 Hanover. 6 places at 250 and at least 8 at 5 Hanover. -- -- RLN and Risher will speak to Weiser, Gottleib and Shelton together promptly to get their reaction.

5. Office managers - Slobodian to be terminated as manager. Offer him the opportunity of becoming A/E on production.

Shearer should go on production.

Possibility that AMN would be manager at 5 Hanover and Langer at 250 Par

6. Compliance - Retain Berkowity, release Miles. Vacation and 2 weeks.

7. Research - Talk to ERH first. If he stays give Weinstein 1 week severance.

8. Corporate Finance - RLN and Bob Muh will talk to Jim Herbert re reduction.
Ira Friedman - no salary - 60% of deals after expenses on deals.
Phil Ryan - Paul Risher will inform him of termination

9. Mutual Funds - Devote half of Sal Monda's time to recovery operation. Perhaps with Tom Fucularo supervising....Mutual Fund's sec'y no being fully occupied.

10. Tax Exempts - Is the department really profitable? Check the method of figuring and resul

11. Henry Montgomery - Will work at $120/day remainder of 1970. Can be our Controller.

12. Syddicate Dept - Is it really profitable?

13. Clerical Salaries - Accross-the-board cuts impractical. Each manager must be told he must reduce by cutting or dismissing. Up to them to produce reductions.

14. Floor Brokerage - Do we give any out? We bill Hutton for everything we can't do ourselves according to P Risher.

15. ACS - We are through with them by end of December. They can still still do our General Ledger if necessary.

16. Travel and Entertainment. Each man pays his own. ---Fred Kayner leaves for LA in a week. It was agreed to pay his apt. in NY for the month of December and his family's air fare for the return.
On Stock Exchange Luncheon Club bills - It was decided we should pay half the charges for Wm McGovern.

17. Mailing - Is Monday Morning Mailing List essential? We can sell our stuffing machine. Decided to check this.

18. Interest on capital. WE Hutton pays interest on their capital only if earned.No decision take. This is an expense of $20,000/mo.

19. Risher-Muh agreed to fee of $8,000/mo. They were told this was not sufficient reddction.